



Vermont Public Power Supply Authority
Special Board of Directors Meeting

March 15, 2023

9:30 a.m.

5195 Waterbury-Stowe Road, Waterbury Center, VT 05677

CALL IN NUMBER: 1-347-991-8065

Meeting ID: 262 475 063

[Click here to join the meeting](#)

Directors

Patricia Richards, Barton	John Dasaro, Enosburg	Mike Sullivan, Hardwick
Vacant, Jacksonville	Erik Bailey, Johnson	Thomas Petraska, Ludlow
Jonathan Elwell, Lyndonville	Scott Johnstone, Morrisville	Steve Fitzhugh, Northfield
John Morley III, Orleans	Bill Sheets, Swanton	

Agenda

Allotted number of minutes set forth in bold type after each item

"" items will have written materials but no presentation unless questions are asked

1. Call to Order (**9:30**)
2. Consideration of changes/modifications to agenda (**3**) (**9:31**)
3. Public Comment (**2**) (**9:34**)

Action Items

4. Minutes of the 2/01/2023 Board of Directors Meeting (**3**) (**9:36**)
5. Monthly Financial Report for period ending 1/31/2023 (Grace) (**5**) (**9:39**)
6. Power Supply Policy P3 Attachment 1 Revision (Ken N / Shawn) (**10**) (**9:44**)

Discussion Items

7. Power Supply Update (Shawn) (**20**) (**9:54**)
8. AMI Project (Ken S.) (**10**) (**10:14**)
9. GIS Project (Alex) (**10**) (**10:24**)
10. Legislative/Communications Update (Julia) (**20**) (**10:34**)
11. Regulatory Update (Sarah) (**20**) (**10:54**)
12. Project 10 Status (Dave G./Ken N.) (**10**) (**11:14**)
13. GM Items - (Ken N.) (**10**) (**11:24**)
14. Board Member Updates (**5**) (**11:34**)

Executive Session

15. None

Other

16. Other Business (**5**) (**11:39**)

CC:

Chris Recchia, Barton	Vacant, Ludlow
Abbey Miller, Enosburg	Penny Jones, Morrisville
Vacant, Hardwick	Jeff Schulz, Northfield
Vacant, Jacksonville	Marilyn Prue, Orleans
Vacant, Johnson	Lynn Paradis, Swanton
Erica Welton, Lyndonville	



Regular Board of Directors Meeting Minutes

February 1, 2023

Board of Directors:

	Patricia Richards, Barton	X	Jonathan Elwell, Lyndonville
P	John Dasaro, Enosburg	X	Scott Johnstone, Morrisville
	Mike Sullivan, Hardwick	P	Stephen Fitzhugh, Northfield
	Vacant, Jacksonville	X	John Morley, Orleans
X	Erik Bailey, Johnson	X	Bill Sheets, Swanton
X	Thomas Petraska, Ludlow		

X indicates attendance in person, P indicates attendance by phone.

Alternates present:

Penny Jones, Morrisville (P)	Lynn Paradis, Swanton (X)
Abbey Miller, Enosburg (P)	

Others present:

Ken Nolan, VPPSA (X)	Alex Nicholson, VPPSA (P)	Amy Parah, VPPSA (P)
Grace Sawyer, VPPSA (X)	Shawn Enterline, VPPSA (X)	Crystal Currier, VPPSA (P)
Sarah Braese, VPPSA (X)	Julia Leopold, VPPSA (X)	Steve Farman, VPPSA (P)
Josh Bancroft, VPPSA (P)	Amanda Simard, VPPSA (P)	Heather D'Arcy, VPPSA (P)
Jason Shafer, disastertech.com (P)	Ken St. Amour, VPPSA (X)	

Numbers in bold type correspond with agenda item numbers:

- 1.** Vice Chairman Morley called the meeting to order at 9:32 a.m.
- 2.** Vice Chairman Morley asked if there were requests for changes and/or modifications to the current agenda. The Chairman was asked to add an item under Other Business for discussion related to the VELCO Operating Committee.
- 3.** Vice Chairman Morley asked if there were public comments and/or individuals who would like to address the Board. There was no public in attendance.
- 4.** Director Johnstone made a motion to accept the minutes of the Board of Directors meeting held on January 4, 2023. The motion was seconded by Director Bailey. Motion approved.
- 5.** Director Elwell made a motion to approve the Preliminary Monthly Financial report for the period ending December 31, 2022. The motion was seconded by Director Petraska.

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The Controller provided a review of the preliminary 2022 operational revenue vs expenses and noted that net income is \$2.6 million, and operational revenue exceeds budget by \$86K or 3%. Conferences, travel, and mileage are significantly below budget and ended the year \$74K under budget. Standard Offer revenues remains under budget by \$49K at year end due to projects going online later than anticipated. Other items of note: REC purchases continue to be under budget by \$92k or 16.7%. McNeil generation is under budget 16.13% YTD. P10 net income is under budget by \$15K caused by rising fuel costs.

The General Manager notified the Board of a request made by the Chair to reduce the volume of information in the monthly Board packet by moving the financial report into a separate document. Separately, the General Manager and Controller had been discussing providing full financials on a quarterly basis, instead of monthly. This change is in process and the financial report presented this month is a sample of what the Board may see in future monthly packets. This change has also been approved by the auditors. Going forward staff is proposing a summarized monthly financial report along with a narrative calling out significant budget to actual variances each month with more detailed financial reports provided quarterly or semi-annually.

The motion was approved.

6. Director Johnstone moved to approve Resolution 2023-01 Project #10 Reserve & Contingency True-up. The motion was seconded by Director Bailey.

The Controller provided a report of the capital improvements at Project #10 along with a summary of funds in the reserve and contingency fund. The total capital expenditures for 2022 were \$1.3 million and \$71,383.08 is available for transfer from the reserve and contingency account to the reserve account. VPPSA staff recommends transfer of the current year excess related to the 2022 R&C True-up to the P10 reserve fund for future expenditures.

The motion was approved.

The General Manager gave a brief overview of the history of the reserve and contingency account and the general reserve account. Director Elwell brought up the significant cost increases being experienced across the membership, and resulting rate cases, and he was concerned about the amount of money in the voluntary reserve account. There was a brief discussion around that fund and the level at which it is funded. The General Manager suggested that a separate item be placed on the April or May agenda to discuss the details of the P10 reserve fund and for the membership to determine the desired level of future funding. Director Johnstone suggested that discussion should take a deeper look at all aspects of the funds impacts, including potential revenue, penalty, and borrowing implications of a plant shutdown, to ensure that we have funds to cover repairs if needed to ensure that we do not end up having to pay penalties if the plant does not run.

7. The General Manager notified the Board of a conflict with the date of the March Board Meeting and had originally proposed a motion to change the VPPSA regular Board of Directors meeting from March 1, 2023 to March 8, 2023. However, NEPPA has chosen to conduct a 2-day Board Meeting on March 8th and 9th, so the General Manager and two VPPSA Board members would not be able to make the March 8th date either. The General Manager proposed a new motion to move the VPPSA regular Board of Directors meeting from March 1, 2023 to March 15, 2023 and that the staff take the necessary steps to notify of this change in compliance with VPPSA's Bylaws. Director Johnstone moved to approve the motion as proposed by the General Manager. The motion was seconded by Director Bailey.

The General Manager also reminded the Board that the April meeting historically has also been when the Annual Meeting was held for the election of officers. It has often been a 15-20-minute annual meeting followed by a full regular Board Meeting. Staff is discussing expanding the annual meeting to include presentations by outside parties on industry issues and inviting state regulators/legislators to the event. This would necessitate holding a shortened regular Board meeting.

The motion was approved.

8. For the past several years Jay Shafer, a meteorology professor, from Lyndon State College has been working to develop a micro-area weather forecasting model and has been partnering with VELCO, GMP, and VEC to develop utility applications. VPPSA understood that Mr. Shafer's work in state was primarily being funded by GMP & VEC with other utilities being able to "opt-in". Two key things have recently changed and as a result VPPSA's Operating Committee representative, Steve Fitzhugh, asked Mr. Shafer to give a short software demonstration and project proposal to the Board. Director Elwell commented that this program appeared to be similar to the Blue Thunder (Deep Thunder) program, that considerable time and money was spent developing in the past and asked if we no longer have a choice on this software how much is this going to cost? According to Mr. Shafer, the project capital investment is quoted at \$1,000,000 coming from Transco which will receive warrants to acquire stock in DisasterTech in the future and a 10-year license for VELCO and its owners in return for the investment. VELCO's believes that roughly 95% of the cost will be borne by all of New England and 5% by Vermont due to the project's transmission benefits and the ISO- New England transmission tariff cost allocation structure. Chairman Fitzhugh provided some additional history on how the project came to be and the evolution of the plan over the last few months. Director Johnstone asked for clarity around the "2-year sprint" model discussed by Mr. Shafer. It was clarified that the final product would be customized based on the user input received during the sprint. Julia Leopold asked clarifying questions around the various forecast models being utilized in the software. Alex Nicholson asked clarifying questions about how the information could be integrated into the GIS system.

There was a discussion by board members about how this project came into being without VPPSA's "opting-in" as was understood to be the process. Concerns were expressed with how projects appear to be created by VELCO and Board members encouraged the General Manager to continue raising VPPSA's governance concerns at VELCO Board discussions.

9. Shawn Enterline, VPPSA's Senior Power Analyst provided an overview of the power supply markets, the primary driving factors related to power costs, actual and future energy prices, and the budget vs actual costs for each member. Mr. Enterline presented detailed analysis of the December power prices and the LNG volatility over the last 25 years, volatility of electricity prices for the last 19 years, and the December short-term coverage. The short-term coverage is not included in the budget. In the budget any needs not currently covered under long-term contract is expected to be purchased at spot market cost. However, due to the significant market volatility the actual spot prices for December ended the month significantly below the cost of the hedge VPPSA had purchased when the short-term coverage was locked in. The short-term coverage purchases are decided at the end of the prior month to meet VPPSA power supply hedging policy, which requires meeting at least 95% coverage for the energy forecast of each member. The General Manager and the Manager of Power Resources may be presenting the board with a new policy proposal to address the level of volatility being experienced. Mr. Enterline also presented information regarding the Mystic Station costs that were new to the VPPSA members in 2022. ISO-NE denied Mystic the ability to decommission due to reliability issues its decommissioning would have caused in the Boston area and the potential impact of losing the associated LNG plant also located in Boston. The costs are being incurred under a Reliability Must Run (RMR) contract between Mystic and ISO-NE. The VPPSA members cost fluctuations are primarily being driven by the pass-thru fuel costs. Mr. Enterline then presented the results of P10 generation for 2022. In December P10 earned almost \$377K during the Christmas storm by running when drawn upon by ISO-NE during the holiday shortage event. Director Johnstone asked that VPPSA have a review of how to replace long term contracts that may be impacted by the closure of the Mystic resource well in advance of the RMR contract end date and to keep the Board posted on the progress.

10. Ken St. Amour provided a brief AMI project status update. The General Manager noted that the Aclara contract negotiations are complete with the exception of the Statement of Work. The loan closing was held on January 23rd and the final interest rate was 5.28%. The funds are currently being held in escrow pending finalization of the member contracts. Bill Ellis has drafted PUC petition and testimony

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and is awaiting finalizing with the executed contract, financing completion & the DPS grant. VPPSA submitted a proposal to the DPS on November 30th requesting \$5.247 million on behalf of all members and VPPSA continues to await a DPS response. The DPS appears to be completely swamped and VPPSA has heard of others waiting two years for their funding.

11. Alex Nicholson, VPPSA's GIS Administrator provided an overall GIS program and project plan update. Alex also provided an update on the status of each member's project and the anticipated roll-out of the web mapping application for each member. It was noted that the Project Plan is under review. To address the increased requests for GIS data VPPSA is currently formulating a formal data sharing procedure. With the hope being that protocols created through this process will be applied to most if not all data sharing requests in the future. Not only will this process assist in standardizing and expediting the data sharing process, but it will also assist in maintaining a high level of data integrity, security, and quality for VPPSA members.

12.a Julia Leopold, VPPSA's Director of Public Affairs provided the Legislative update to the Board. After a relatively slow start to the session, the pace is beginning to pick up with the new climate and renewable energy bills being introduced. VPPSA and other utilities introduced themselves in House Environment & Energy and VELCO, the DPS, and ISO-NE provided "Electric Grid 101" sessions. Several new bills have been introduced including H.21 Landlord Notice of Utility Disconnect, H.56 Ratepayer Protection, H.96 Clean Heat Standard, and S.5 Affordable Heat Standard. Other imminent bills include 100% Renewable Energy Standards and Act 151. Ms. Leopold gave a more detailed overview of the Affordable Heat Standard for the members and the potential implications for the future. VPPSA's position is currently to request clarification in the bill about how this interacts with the Tier III requirements. There seems to be an overlap between the two at this point. The General Manager provided some additional information and a discussion ensued. There was a brief discussion on H.21 about how the disconnect notices are currently being regulated and the potential change. Penny Jones noted that Morrisville currently requires the landlord's name be included on the bills and a duplicate can be sent to the landlord (or tenant) for a fee. The General Manager gave an overview of the current events surrounding Renewable Energy Vermont's (REV) proposed Renewable Energy Standard (RES) revisions. The REV proposed bill is not palatable to the municipal utilities. They are proposing that renewable energy would not include nuclear energy, biomass, or large hydros and only 40% of utility power supply could come from existing sources while 30% would need to be from new sources and 30% would have to meet the current Tier II definition. In essence, 30% would have to come from solar sources.

12.b Julia Leopold, VPPSA's Director of Public Affairs provided the Communications update to the Board. VPPSA has been utilizing the new email list to send communication to the utility staff and it has been going well. Ms. Leopold is considering using this platform to distribute social media campaigns. VPPSA has launched the online rebate portal and is currently educating utility staff, customers and dealerships about the platform and available incentives. Other current campaigns include developing a bill insert for Tailored Efforts, flyers, and newsletters about the availability of VLITE funds, and press releases related to rate increases. Future planned campaigns include, but are not limited to, the Value of Public Power utilizing the tag line developed last year. Other campaigns under consideration include an AMI Education outreach and highlighting VPPSA's successes of RES and Tier III.

Lunch break @ 12:43
Reconvened @ 1:11

13. The written Executive Summary and regulatory update was provided to the Board. Sarah Braese, VPPSA's Assistant General Manager, provided a brief update on various regulatory hot topics. For Renewable Energy Standards Tier III: VPPSA has published appropriate representations of members' generation portfolios, preliminary reports show that VPPSA has met the 2022 Tier III Compliance Obligations and VPPSA has submitted the 2023 Tier III Annual Plan. As noted previously, VPPSA launched its new online rebate processing portal. Ms. Braese provided a brief overview of the Clean Energy Policy and the relevant items on the FERC docket. The General Manager provided some additional details around the inverter-based resources FERC docket item and a brief discussion ensued.

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around the regulatory environment. Ms. Braese provided a brief update on the recent grant concept paper and applications that VPPSA has filed. The General Manager gave a review of the Demand Resource Plan (DRP) that Efficiency Vermont (EVT) submitted. EVT asked to utilize some of their budget funds to use an open-source software to provide a statewide platform for flexible load management. This proposal is an expansion of the previous plan that EVT has been funding control panels on devices being installed that would allow the utility to control the demand. VPPSA disagrees strongly with the proposed expansion and has focused its negotiations of a new DRP MOU with EVT around this issue. The message from DPS is that Flexible Load Management is coming and if the small utilities do not move forward with embracing this technology the DPS is not going to get in the way of others looking to take over the service. For the VPPSA membership AML is the first step and our technology roadmap will address the next steps.

14. The General Manager provided a brief update related to Project 10 activities. P10 continues to operate well following the overhaul this past summer. Ken St. Amour and Dave Gagne are working through the NERC self-certification audit with final replies due by February 13th. No issues or violation concerns have been identified during documentation prep, but NPCC will undertake its review following the submittal. Preliminary review indicates that P10 performed well during the Christmas Eve outage and received additional revenues from the Pay for Performance shortage event. The last major upgrade in the plans for P10 is to upgrade the Programmable Logic Controllers (PLC's).

15. The General Manager provided a brief update on status of the rate case submittals and IRP's. VPPSA has brought in Utility Financial Services to assist with the Barton and Jacksonville rate cases to speed things along. RES conversations are heating up on several fronts: The Climate Council continues to debate whether Biomass is a truly renewable resource which has major implications for McNeil; REV is launching its bill to revise the RES statute; and VPPSA has been in active discussions with BED, WEC, and VEC about developing a joint RES structure everyone can support. Susan Anderson and Steve Kaminski have been nominated and will be part of the slate of VELCO Directors up for election by the owners in April. Ken St. Amour gave a brief update that the VPPSA IT cyber review is underway, and once completed will move to individual members one at a time. Staff is hoping to get the recommendations in time to use the information in the next round of grant money available for cyber security upgrades.

16. Board Member Updates: Tom Petraska let the Board know that they were installing security cameras at their substations. Director Dasaro indicated that Enosburg was also going to be installing security cameras at their substations.

17. Executive Session: None

18. Other Business: The VELCO operating committee vice chair position is vacant and VELCO's Chief Operating Officer Colin Owyang has proposed nominating VELCO employee, and current operating committee secretary Tina Stevens as vice chair, and then appointing VELCO Board secretary Jaime Smyrski as operating committee secretary as well. Chairman Fitzhugh asked for input on what position the board members would like him to take on voting for the nominated parties. The Board came to a consensus that it was fine to vote in the affirmative.

Director Bailey made a motion to adjourn the meeting. The motion was seconded by Director Elwell. Motion approved.

The meeting was adjourned at 1:50 p.m.

Respectfully submitted,



Grace Sawyer, Controller



Vermont **Public Power** Supply Authority



Monthly Financial Report January 31, 2023

(Unaudited)

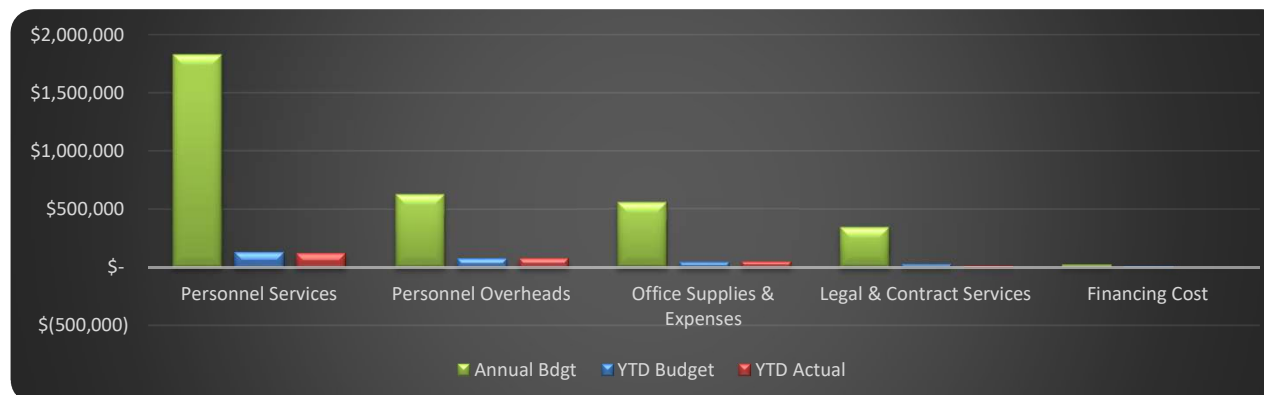
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VERMONT PUBLIC POWER SUPPLY AUTHORITY
OPERATIONAL REVENUE & EXPENSE SUMMARY
2023 YTD ACTUAL VS. BUDGET

Reconciliation Month: **January-2023**

	2023 YTD Budget	2023 YTD Actual	Variance (\$)	Variance (%)	2023 Annual Bdgt	YTD Act % of Budget
Revenues:						
McNeil Plant #2	\$ 9,317	\$ 9,317	\$ -	0.0%	\$ 109,857	8%
Central Computer #4	\$ 4,659	\$ 4,659	\$ -	0.0%	\$ 54,929	8%
Swanton Peaker #10	\$ 20,482	\$ 20,664	\$ 182	0.9%	\$ 222,504	9%
Renewable Energy Standards	\$ 4,659	\$ 4,659	\$ -	0.0%	\$ 54,929	8%
Net Metering	\$ 2,329	\$ 2,329	\$ -	0.0%	\$ 27,464	8%
AMI #7	\$ 2,329	\$ 2,329	\$ -	0.0%	\$ 27,464	8%
GIS & Mapping	\$ 12,237	\$ 12,169	\$ (68)	-0.6%	\$ 125,288	10%
Barton Management #12	\$ 6,630	\$ 10,498	\$ 3,868	58.3%	\$ 125,289	8%
Member Revenues	\$ 155,931	\$ 155,931	\$ 0	0.0%	\$ 1,833,850	9%
Non-Member Revenues	\$ 1,366	\$ (3,592)	\$ (4,958)	-363.1%	\$ 566,916	-1%
Total Revenues:	\$ 219,938	\$ 218,962	\$ (976)	-0.4%	\$ 3,148,490	7%
Billable Expenses:						
Personnel Services	\$ 133,398	\$ 125,358	\$ (8,040)	-6.0%	\$ 1,827,382	7%
Personnel Overheads	\$ 79,817	\$ 81,230	\$ 1,413	1.8%	\$ 627,732	13%
Office Supplies & Expenses	\$ 46,279	\$ 52,355	\$ 6,076	13.1%	\$ 555,346	9%
Legal & Contract Services	\$ 28,792	\$ 11,936	\$ (16,856)	-58.5%	\$ 345,500	3%
Financing Cost	\$ 4,583	\$ (211)	\$ (4,794)	-104.6%	\$ 20,789	-1%
Total Billable Expenses:	\$ 292,869	\$ 270,668	\$ (22,200)	-7.6%	\$ 3,376,749	8%
Net Income(Loss):	\$ (72,931)	\$ (51,706)	\$ 21,225			



Monthly Financial Report-Variance Analysis
January 31, 2023

	Actual					Budget	Var (\$)	Var (%)
Non-Project Ops	Operational	Power Supply	Transco Activities	Other	Total			
Member & Non Revenues	\$ 181,011	\$ 3,511,929	\$ -		\$ 3,692,939			
Other Revenue Sources	\$ 60,541	\$ 518,337	\$ -	\$ 8,545	\$ 587,424			
Total Revenues:	\$ 241,552	\$ 4,030,266	\$ -	\$ 8,545	\$ 4,280,363	\$ 5,708,911	\$ (1,428,548)	-25%
Operational Expenses	\$ (270,668)	\$ (3,753,531)	\$ -	\$ (1,491)	\$ (4,025,690)			
Transco Activities	\$ (22,590)	\$ -	\$ 8,499	\$ -	\$ (14,091)			
Other Expenses	\$ -	\$ -	\$ -	\$ (1,364)	\$ (1,364)			
Total Expenses:	\$ (293,258)	\$ (3,753,531)	\$ 8,499	\$ (2,855)	\$ (4,041,145)	\$ (5,747,649)	\$ 1,706,503	-30%
Net Cash Flow:	\$ (51,706)	\$ 276,735	\$ 8,499	\$ 5,690	\$ 239,218			
Transco Principal (VPPSA)	\$ 21,139	\$ -	\$ -	\$ -	\$ 21,139			
					\$ -			
Net Income (Loss):	\$ (30,568)	\$ 276,735	\$ 8,499	\$ 5,690	\$ 260,356	\$ (38,737)	\$ 277,955	-718%

McNeil	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 653,579	\$ 815,303	\$ (161,724)	-20%
Oper Expenses	\$ (649,067)	\$ (768,637)	\$ 119,570	-16%
Non-Oper Rev/Exp	\$ 2,158	\$ -	\$ 2,158	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 6,670	\$ 46,666	\$ (39,996)	-86%

Sander's Grant	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ -	\$ -	\$ -	0%
Oper Expenses	\$ -	\$ -	\$ -	0%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ -	\$ -	\$ -	0%

Central Computer	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 12,788	\$ 12,788	\$ -	0%
Oper Expenses	\$ (13,513)	\$ (12,788)	\$ (725)	6%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ (725)	\$ -	\$ (725)	0%

RES	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 126,027	\$ 127,027	\$ (1,000)	-1%
Oper Expenses	\$ (16,109)	\$ (127,027)	\$ 110,918	-87%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 109,918	\$ -	\$ 109,918	0%

Project 10	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 280,883	\$ 280,883	\$ -	0%
Oper Expenses	\$ (545,291)	\$ (576,458)	\$ 31,167	-5%
Non-Oper Rev/Exp	\$ 4,174	\$ 1,000	\$ 3,174	317%
Financing	\$ (41,668)	\$ (41,737)	\$ 69	0%
Net Income (Loss)	\$ (301,902)	\$ (336,312)	\$ 34,410	-10%

Net Metering	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 2,392	\$ 2,392	\$ -	0%
Oper Expenses	\$ (2,329)	\$ (2,329)	\$ (0)	0%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 63	\$ 63	\$ (0)	0%

AMI	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 2,531	\$ 323,034	\$ (320,503)	-99%
Oper Expenses	\$ (2,334)	\$ (323,034)	\$ 320,700	-99%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 197	\$ 0	\$ 197	0%

GIS	Actual	Budget	Var (\$)	Var (%)
Oper Revenues	\$ 20,387	\$ 20,387	\$ -	0%
Oper Expenses	\$ (16,424)	\$ (20,387)	\$ 3,963	-19%
Non-Oper Rev/Exp	\$ -	\$ -	\$ -	0%
Financing	\$ -	\$ -	\$ -	0%
Net Income (Loss)	\$ 3,963	\$ -	\$ 3,963	0%



Budget to Actual Variance Narrative - January 2023

Summary: VPPSA's Year-to-year Net Income is \$260,356, which is \$278K over budgeted revenue for January. Sales for Resale and Purchased Power expenses were both below budget in January resulting in income of \$255K greater than budget. VPPSA's Operational loss is (\$51,706) which is less than budgeted by \$21K for January.

Detail of key factors with a 5% or greater change (\$5,000 de minimis):

- 1.** McNeil: Generation was underbudget for January by 1,102,000 or 16.19% causing revenue to be below budget by \$40K for January.
- 2.** Project 10: Fuel oil expense was underbudget by \$18K and Property Insurance came in \$24K underbudget resulting in a net loss of \$34K less than budgeted for January.
- 3.** Renewable Energy Standards: There were no REC purchases in January and no sales expense resulting in a net income of \$110K more than budgeted for January.
- 4.** Operational: For January VPPSA is below budget on Outside Services by \$17K or 41%. Personnel salaries are \$8K or 6% below budget primarily due to the new position in IT not having been filled yet.

Vermont Public Power Supply Authority
Project Summary Balance Sheet
January 31, 2023

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Barton	Total
ASSETS											
Fixed Assets											
Production Plant											
Land & Land Rights	0.00	79,273.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	79,273.96
Structures & Improvements	0.00	4,918,437.01	0.00	0.00	3,812,943.12	0.00	0.00	0.00	0.00	0.00	8,731,380.13
Equipment	0.00	17,921,869.33	0.00	0.00	20,034,585.87	0.00	0.00	0.00	0.00	0.00	37,956,455.20
Total Production Plant	0.00	22,919,580.30	0.00	0.00	23,847,528.99	0.00	0.00	0.00	0.00	0.00	46,767,109.29
Transmission Plant											
Land & Land Rights	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structures & Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment	0.00	0.00	0.00	0.00	1,467,289.54	0.00	0.00	0.00	0.00	0.00	1,467,289.54
Total Transmission Plant	0.00	0.00	0.00	0.00	1,467,289.54	0.00	0.00	0.00	0.00	0.00	1,467,289.54
Regional Transmission & Market Plant											
Computer Hardware/Software	0.00	0.00	0.00	0.00	273,601.73	0.00	0.00	0.00	0.00	0.00	273,601.73
Communication Equipment	0.00	0.00	0.00	0.00	26,606.04	0.00	0.00	0.00	0.00	0.00	26,606.04
Total Regional Transm & Mkt Plant	0.00	0.00	0.00	0.00	300,207.77	0.00	0.00	0.00	0.00	0.00	300,207.77
General Plant											
Land & Land Rights	141,098.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141,098.99
Structures & Improvements	840,474.28	0.00	0.00	0.00	475,467.18	0.00	0.00	0.00	0.00	0.00	1,315,941.46
Meters	91,454.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91,454.48
Equipment	514,146.59	126,939.04	0.00	26,102.42	5,561.44	0.00	0.00	0.00	29,767.06	0.00	702,516.55
Total General Plant	1,587,174.34	126,939.04	0.00	26,102.42	481,028.62	0.00	0.00	0.00	29,767.06	0.00	2,251,011.48
Total Fixed Assets	1,587,174.34	23,046,519.34	0.00	26,102.42	26,096,054.92	0.00	0.00	0.00	29,767.06	0.00	50,785,618.08
CWIP	0.00	159,804.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	159,804.78
Intangible Plant-Net of Amort.	635.34	1,156.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,791.90
Accumulated Depreciation	(1,176,325.54)	(21,346,032.65)	0.00	(18,126.69)	(14,339,374.57)	0.00	0.00	0.00	(15,379.65)	0.00	(36,895,239.10)
Net Utility Plant In Service	411,484.14	1,861,448.03	0.00	7,975.73	11,756,680.35	0.00	0.00	0.00	14,387.41	0.00	14,051,975.66

Vermont Public Power Supply Authority
Project Summary Balance Sheet
January 31, 2023

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Barton	Total
Investments:											
Bond Fund Investments	0.00	0.00	0.00	0.00	3,061,422.20	0.00	0.00	0.00	0.00	0.00	3,061,422.20
Vt. Transco Investments	33,711,080.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33,711,080.00
Other Investments	265,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265,000.00
Total Investments	33,976,080.00	0.00	0.00	0.00	3,061,422.20	0.00	0.00	0.00	0.00	0.00	37,037,502.20
Current Assets:											
Project Revenue Funds	0.00	97,185.79	12.35	0.00	592,140.22	0.00	0.00	0.00	0.00	0.00	689,338.36
Project Construction Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000,024.59	0.00	0.00	4,000,024.59
Cash and Working Funds	2,288,868.26	0.00	0.00	(31,329.56)	0.00	165,145.60	(1,780.09)	(76.52)	7,358.69	(10,791.31)	2,417,395.07
Cash-Special Deposits-PEX	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash - VEV Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary Investments	348,444.77	401,028.21	0.00	0.00	2,237,600.58	0.00	0.00	0.00	0.00	0.00	2,987,073.56
Accounts Receivable	7,290,553.82	996,487.81	0.00	12,787.56	298,983.54	136,517.73	1,842.69	2,531.27	19,444.93	83,350.25	8,842,499.60
Amounts Due From Members	2,949.88	0.00	0.00	0.00	0.00	67,769.64	0.00	(0.17)	0.00	0.00	71,640.92
Notes Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest/Distributions Receivable	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11
Inventory	0.00	1,245,347.46	0.00	0.00	348,664.84	0.00	0.00	0.00	0.00	0.00	1,594,012.30
Prepayments	61,658.33	0.00	0.00	0.00	112,066.84	0.00	0.00	0.00	0.00	0.00	198,087.60
Total Current Assets	9,992,475.17	2,740,049.27	12.35	(18,542.00)	3,589,456.02	369,432.97	62.60	4,002,479.17	26,803.62	72,558.94	20,800,072.11
Other Assets:											
Deferred Debits-Other Reg Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Debits	70,987.05	496,306.67	0.00	11,135.05	0.00	0.00	0.00	0.00	0.00	0.00	578,428.77
Derivative Instrument Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UnAmortized Debt Issue Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Assets	70,987.05	496,306.67	0.00	11,135.05	0.00	0.00	0.00	0.00	0.00	0.00	578,428.77
Total Assets	\$ 44,451,026.36	5,097,803.97	12.35	568.78	18,407,558.57	369,432.97	62.60	4,002,479.17	41,191.03	72,558.94	72,442,694.66

Vermont Public Power Supply Authority
Project Summary Balance Sheet
January 31, 2023

	Internal	McNeil	Highgate	C.Computer	P10	RES	NetMtr	AMI	GIS	Barton	Total
LIABILITIES AND CAPITAL											
Current Liabilities:											
Accounts Payable	3,567,970.28	301,856.87	0.00	0.00	416,838.09	10,550.00	0.00	0.00	3,169.59	66,059.71	4,366,444.54
Other Payable	(444.97)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(444.97)
Security Deposits	229,890.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	229,890.36
Amounts due Members	467,283.06	0.00	12.13	0.00	0.00	175,459.17	0.01	2,252.58	19,175.31	0.00	664,182.26
Short-term Bank Notes Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Maturities on L/T Debt	2,297,343.09	0.00	0.00	0.00	1,330,000.00	0.00	0.00	0.00	0.00	0.00	3,627,343.09
Derivative Instrument Liability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Interest	0.00	0.00	0.00	0.00	41,667.58	0.00	0.00	0.00	0.00	0.00	41,667.58
Accrued Taxes Payable	1,375.00	37,568.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38,943.26
Accrued Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accrued Pension Contributions	8,262.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,262.48
Accrued Payroll Liabilities	4,501.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,501.46
Other Misc. Accrued Liabilities	8,368.22	(32,619.03)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(24,250.81)
Total Current Liabilities	6,584,548.98	306,806.10	12.13	0.00	1,788,505.67	186,009.17	0.01	2,252.58	22,344.90	66,059.71	8,956,539.25
Long-Term Debt:											
LTD-Bonds	0.00	0.00	0.00	0.00	9,475,000.00	0.00	0.00	0.00	0.00	0.00	9,475,000.00
LTD-Other-HG	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Other-P10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-Members	10,050,505.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,050,505.16
LTD-Transco-HG	636,580.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	636,580.08
LTD-Transco-VEC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-LCSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-Transco-LED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LTD-2019 Building Upgrades	76,666.69	0.00	0.00	0.00	0.00	0.00	0.00	4,000,000.00	0.00	0.00	4,076,666.69
Unamortized Bond Premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unamortized Loss of Reaq. Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Long-Term Debt	10,763,751.93	0.00	0.00	0.00	9,475,000.00	0.00	0.00	4,000,000.00	0.00	0.00	24,238,751.93
Other Liabilities											
Deferred Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Def. Revenues - Members	0.00	0.00	0.00	0.00	0.00	81,000.00	0.00	0.00	0.00	0.00	81,000.00
Deferred Vacation Wages	127,342.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	127,342.05
Deferred Contract Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Credits-Other Reg Liability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Deferred Credits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Deferred Credits	127,342.05	0.00	0.00	0.00	0.00	81,000.00	0.00	0.00	0.00	0.00	208,342.05
Interfund-Project Allocations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capitla Equity											
Unappropriated Retained Earnings	7,086,192.92	5,011,467.55	1,193,836.70	1,120.42	6,933,874.32	109,918.79	62.59	226.59	24,799.53	1,255.00	20,362,754.41
Unappropriated Earnings-Distributed	0.00	0.00	(1,193,836.48)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,193,836.48)
Appropriated Retained Earnings	19,912,103.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,912,103.08
Other Comprehensive Income	0.00	0.00	0.00	0.00	(41,959.58)	0.00	0.00	0.00	0.00	0.00	(41,959.58)
Total Retained Earnings	26,998,296.00	5,011,467.55	0.22	1,120.42	6,891,914.74	109,918.79	62.59	226.59	24,799.53	1,255.00	39,039,061.43
Total Liabilities & Capital	\$ 44,501,475.62	5,318,273.65	12.35	1,120.42	18,180,420.41	376,927.96	62.60	4,000,226.59	47,144.43	67,314.71	72,492,978.74

Vermont Public Power Supply Authority
Project Summary Income Statement
January 31, 2023

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Barton	Total
REVENUES & OTHER INCOME											
Sales for ReSale	3,536,253.74	653,579.32	0.00	0.00	280,883.05	0.00	0.00	0.00	0.00	0.00	4,470,716.11
Service Revenues	0.00	0.00	0.00	12,787.56	0.00	126,026.81	2,391.79	2,531.27	20,386.97	0.00	164,124.40
Member & Non-Member Revenues	170,513.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83,350.25	253,863.43
Project Revenues	66,623.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66,623.62
REC Revenues	518,337.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	518,337.25
Service Revenue-Direct Billable	1,490.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,490.77
VELCO Directorship	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Operating Revenues	4,293,218.56	653,579.32	0.00	12,787.56	280,883.05	126,026.81	2,391.79	2,531.27	20,386.97	83,350.25	5,475,155.58
EXPENSES											
POWER PRODUCTION											
STEAM POWER PRODUCTION											
Operations	0.00	521,541.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	521,541.54
Maintenance	0.00	26,433.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26,433.41
Total Steam Power Production	0.00	547,974.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	547,974.95
OTHER POWER PRODUCTION											
Operations	0.00	0.00	0.00	0.00	20,294.62	0.00	0.00	0.00	0.00	0.00	20,294.62
Maintenance	0.00	0.00	0.00	0.00	2,619.83	0.00	0.00	0.00	0.00	0.00	2,619.83
Total Other Power Production	0.00	0.00	0.00	0.00	22,914.45	0.00	0.00	0.00	0.00	0.00	22,914.45
TRANSMISSION											
Operations	1,245,717.27	307.29	0.00	0.00	533.98	0.00	0.00	0.00	0.00	0.00	1,246,558.54
Maintenance	0.00	0.00	0.00	0.00	839.11	0.00	0.00	0.00	0.00	0.00	839.11
Total Transmission Expense	1,245,717.27	307.29	0.00	0.00	1,373.09	0.00	0.00	0.00	0.00	0.00	1,247,397.65
OTHER POWER SUPPLY											
Purchase Power	2,527,723.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,527,723.95
System Control & Load Dispatch	0.00	716.82	0.00	0.00	404.54	0.00	0.00	0.00	0.00	0.00	1,121.36
REC Purchases	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other PS Expense	2,527,723.95	716.82	0.00	0.00	404.54	0.00	0.00	0.00	0.00	0.00	2,528,845.31
REGIONAL MARKET EXPENSES											
RME-Market Monitor/Compl-Gen	0.00	0.00	0.00	0.00	589.00	0.00	0.00	0.00	0.00	0.00	589.00
RME-Market Monitor/Compl-L&O	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Reg. Market Expense	0.00	0.00	0.00	0.00	589.00	0.00	0.00	0.00	0.00	0.00	589.00

Vermont Public Power Supply Authority
Project Summary Income Statement
January 31, 2023

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Barton	Total
CUSTOMER SVS & INFORMATION ADV											
Cust Assistance Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cust Svs & Info Adv	0.00	998.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	998.61
Total Cust Svs & Info Adv.	0.00	998.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	998.61
SALES EXPENSE											
Sales Expense	0.00	0.00	0.00	0.00	0.00	10,550.00	0.00	0.00	0.00	0.00	10,550.00
Total Sales Expense	0.00	0.00	0.00	0.00	0.00	10,550.00	0.00	0.00	0.00	0.00	10,550.00
ADMINISTRATIVE & GENERAL											
Operations	267,951.31	29,839.97	0.00	12,787.62	419,034.31	5,558.54	2,329.27	2,334.27	15,928.25	82,095.25	837,858.79
Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total A&G Expense	267,951.31	29,839.97	0.00	12,787.62	419,034.31	5,558.54	2,329.27	2,334.27	15,928.25	82,095.25	837,858.79
OTHER											
Taxes- In Lieu of Property Taxes	1,375.00	27,075.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,450.00
Depreciation Expense	2,916.74	42,154.33	0.00	725.07	102,348.94	0.00	0.00	0.00	496.12	0.00	148,641.20
Amortization Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Billable-Pass Thru Exp	1,490.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,490.77
Total Other Expense	5,782.51	69,229.33	0.00	725.07	102,348.94	0.00	0.00	0.00	496.12	0.00	178,581.97
Total Operating Expenses	4,047,175.04	649,066.97	0.00	13,512.69	546,664.33	16,108.54	2,329.27	2,334.27	16,424.37	82,095.25	5,375,710.73
Net OPERATING Earnings(Loss)	246,043.52	4,512.35	0.00	(725.13)	(265,781.28)	109,918.27	62.52	197.00	3,962.60	1,255.00	99,444.85
NON-OPERATING (INCOME) EXPENSES											
OTHER NON-OPERATING (INCOME) EXPENSES											
Interest/Finance Chg Income	(7,054.55)	(2,157.64)	0.00	0.00	(4,174.09)	0.00	0.00	(29.59)	0.00	0.00	(13,415.87)
TRANSCO Distribution/Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transco "Net Settlement" Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Non-Operating Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Non-Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Non-Operating (Inc) Exp	(7,054.55)	(2,157.64)	0.00	0.00	(4,174.09)	0.00	0.00	(29.59)	0.00	0.00	(13,415.87)

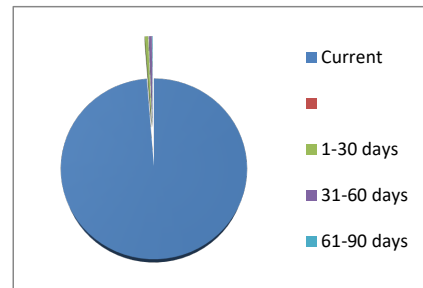
Vermont Public Power Supply Authority
Project Summary Income Statement
January 31, 2023

	Non-Project	McNeil	Highgate	C. Computer	Swanton Pkr	RES	Net Mtr	AMI	GIS	Barton	Total
FINANCING COSTS											
Interest on LTD-Bonds	0.00	0.00	0.00	0.00	41,667.71	0.00	0.00	0.00	0.00	0.00	41,667.71
Interest on LTD-Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest on LTD-Transco	(7,047.47)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(7,047.47)
Interest on LTD-2019 Bldg Renov.	(210.82)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(210.82)
Interest on Short-term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financing Costs on LTD-Swp Rel.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amortizations on Financing Activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Financing Expenses	(7,258.29)	0.00	0.00	0.00	41,667.71	0.00	0.00	0.00	0.00	0.00	34,409.42
Total Non-Operating (Inc) Exp	(14,312.84)	(2,157.64)	0.00	0.00	37,493.62	0.00	0.00	(29.59)	0.00	0.00	20,993.55
TOTAL Net Earnings(Loss)	260,356.36	6,669.99	0.00	(725.13)	(303,274.90)	109,918.27	62.52	226.59	3,962.60	1,255.00	78,451.30

Vt. Public Power Supply Authority
Consolidated Balance Sheet
January 31, 2023

	2022	2021
ASSETS		
Electric Utility Plant	50,785,618.08	49,095,578.94
Accumulated Depreciation	(36,895,239.10)	(35,166,314.92)
Utility Plant in Service	13,890,378.98	13,929,264.02
CWIP-General	0.00	0.00
CWIP-McNeil	159,804.78	55,146.65
CWIP-Highgate	0.00	0.00
CWIP-P10	0.00	5,303.22
Net Electric Plant	14,050,183.76	13,989,713.89
Intangible Plant-Net of Amort.	1,791.90	2,215.45
<u>Current Assets:</u>		
Special Funds	7,750,785.15	3,537,536.34
Cash and Working Funds	1,334,322.97	115,409.31
Cash - REC's	0.00	0.00
Cash - Vt. Transco	1,083,072.10	1,759,464.83
Cash - VEV Proceeds	0.00	0.00
Special Deposits-Collateral	0.00	0.00
Temporary Investments	2,987,073.56	4,813,834.38
Investment in Associated Co.	265,000.00	265,000.00
Investment in Vt. Transco	33,711,080.00	33,704,100.00
Accounts Receivable	8,842,499.60	8,927,255.81
Amounts Due From Members	70,719.35	531,523.28
Notes Receivable	0.00	0.00
Interest/Distributions Receivable	0.11	0.15
McNeil Inventory	1,245,347.46	1,035,498.79
P10 Inventory	348,664.84	261,395.06
Meter Inventory	0.00	515.00
Other Current Assets	173,725.17	189,713.60
Total Current Assets	57,812,290.31	55,141,246.55
<u>Other Assets:</u>		
Deferred Debits-Other Regulatory Assets	0.00	25,000.00
Deferred Debits	578,428.77	120,321.91
Derivative Instrument Asset	0.00	0.00
Unamortized Dbt Iss Exp-LetCrd	0.00	0.00
Unamort Debt Issue Exp-McN	0.00	0.00
Unamort Debt Issue Exp-HG	0.00	0.00
Unamort Debt Issue Exp-P10	0.00	0.00
Total Other Assets	578,428.77	145,321.91
Total Assets	\$ 72,442,694.74	\$ 69,278,497.80

A/R Aging Analysis		
Current	8,731,576	99%
1-30 days	55,550	1%
31-60 days	45,905	1%
61-90 days	9,469	0%
91-120 days		0%
>120 days		0%
Total	\$8,842,500	100%



Vt. Public Power Supply Authority
Consolidated Balance Sheet
January 31, 2023

	2022	2021
LIABILITIES AND CAPITAL		
Unappropriated Retained Earnings	20,362,754.41	19,953,249.08
Unappropriated Earnings-Distributed	(1,193,836.48)	(1,193,836.48)
Appropriated Retained Earnings	19,912,103.08	17,533,625.05
Other Comprehensive Income	(41,959.58)	(11,324.58)
Total Retained Earnings	39,039,061.43	36,281,713.07
<u>Long-Term Debt:</u>		
LTD-P10 Bonds - Series A	8,960,000.00	10,215,000.00
LTD-P10 Bonds - Series B	515,000.00	590,000.00
LTD-Transco 2011 Consolid Refi	4,524,161.63	5,655,202.05
LTD-Transco 2012-2014 Members	1,582,435.40	1,978,044.16
LTD-Vt Transco "16 Members	470,290.00	680,290.00
LTD-Vt Transco Financing-HG	636,580.08	795,725.08
LTD-Vt Transco '17 Members	789,288.00	986,610.00
LTD-Vt Transco '18 Members	586,070.00	703,284.00
LTD-Vt Transco '18 VPPSA	37,790.00	45,348.00
LTD-Vt Transco '19 Members	261,443.42	304,420.42
LTD-Vt Transco '20 Members	468,198.00	535,082.00
LTD-Vt Transco '21 Members	1,330,828.71	1,481,859.13
LD-2019 Building Upgrades	76,666.69	90,000.02
LTD-AMI Working Capital Loan	4,000,000.00	0.00
Net Long-Term Debt	24,238,751.93	24,060,864.86
Def. Revenues - Members	81,000.00	0.00
Def. Credits-Accrued Vac Liab.	127,342.05	126,991.54
Def Credits-Other Reg Liabilities	0.00	25,000.00
Total Deferred Revenues/Credits	208,342.05	151,991.54
<u>Current Liabilities:</u>		
Accounts Payable	4,365,999.65	3,949,825.13
Amounts due Members	664,182.26	550,458.90
Security Deposits	229,890.36	43,540.00
Short-term Bank Notes Payable	0.00	600,000.00
Current Maturities on L/T Debt	3,627,343.09	3,549,153.53
Derivative Instrument Liability	0.00	0.00
Accrued Interest	41,667.58	46,851.96
Accrued Taxes Payable	38,943.26	19,697.48
Accrued Salaries	0.00	0.00
Accrued Pension Contributions	8,262.48	7,688.17
Accrued Payroll Liabilities	4,501.46	8,354.74
Other Misc. Accrued Liabilities	(24,250.81)	8,358.42
Total Current Liabilities	8,956,539.33	8,783,928.33
Total Liabilities & Capital	\$ 72,442,694.74	\$ 69,278,497.80

Vermont Public Power Supply Authority
Non-Project Operations - Profit & Loss Statement
January 31, 2023

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
Operating Revenues				
Sales for Resales	3,511,928.81	5,135,237.12	68%	39,290,370.83
Sales for Resales-Standard Offer	24,324.93	36,842.27	66%	1,264,391.47
Serv. Fees, Members & Affiliates	170,513.18	172,126.50	99%	2,065,518.04
Admin Fees Allocated to Projects	45,436.53	51,899.71	88%	622,796.56
Project Labor & OH Revenue	21,187.09	30,587.42	69%	367,049.04
VELCO Directorship	0.00	0.00	0%	19,000.00
Renewable Energy Certificates	518,337.25	279,035.00	186%	2,701,635.00
Serv. Revenue-Direct Billable	1,490.77	2,083.33	72%	25,000.00
Misc. Revenues	0.00	550.00	0%	1,350.00
Total Operating Revenues	4,293,218.56	5,708,361.35	75%	46,357,110.94
Operating Expenses				
Other Power Supply Expense				
OPSE-Purchased Power	2,507,813.98	4,083,576.72	61.41	28,068,976.43
OPSE-REC Purchase Exp.	0.00	0.00	0.00	0.00
OPSE-Purchase Pwr-'15 SO (Lyn)	5,362.02	5,610.35	95.57	192,541.90
OPSE-Purchase Pwr-'17 SO(Trom)	2,405.55	4,493.60	53.53	154,215.99
OPGE-Purchase Pwr-'19SO (Hess)	5,509.73	9,829.62	56.05	337,343.09
OPGE-Purchase Pwr-'19SO(Davis)	6,632.67	9,679.64	68.52	332,196.00
Total Other Power Supply Expense	2,527,723.95	4,113,189.93	61%	29,085,273.41
Transmission Expense				
TRSM-Oper-Transm by Others	1,244,617.44	1,329,695.39	93.60	13,911,029.38
TRSM-Oper-Misc Transm Exp	1,099.83	1,000.00	109.98	12,000.00
Total Transmission Expense	1,245,717.27	1,330,695.39	94%	13,923,029.38
Cust Svs & Informational Expense				
Customer Svs & Informational	0.00	742.50	0%	8,910.00
Total Customer Svs & Informational Exp	0.00	742.50	0%	8,910.00
Sales Expense				
REC Sales Expenses	0.00	0.00	0%	0.00
Total Sales Expense	0.00	0.00	0%	0.00
Admin & General Expense				
Salaries	125,357.87	133,398.04	93.97	1,827,382.01
Payroll Overheads	11,372.76	13,695.38	83.04	142,701.77
Office Supplies & Expense	12,367.19	26,095.08	41.67	312,942.00
Outside Services	11,935.87	28,791.66	41.46	345,500.00
Insurances	8,788.92	5,306.22	165.63	63,675.00
Employee Benefits	69,857.47	72,521.66	78.93	485,030.52
Memberships/Dues	23,001.00	3,016.66	422.69	36,200.00
Conference & Travel Expenses	5,163.97	7,957.08	64.90	95,485.00
Rents	0.00	0.00	0.00	0.00
Transportation Expenses	106.26	250.00	42.50	3,000.00
A & G Transferred Credit	0.00	0.00	0.00	0.00
Total A & G Expenses	267,951.31	291,031.78	92%	3,311,916.30

Vermont Public Power Supply Authority
Non-Project Operations - Profit & Loss Statement
January 31, 2023

	Year to Date Actual	Year to Date Budget	Actual as % of Budget	Annual Budget
Other Operating Expenses				
A&G- Billable to Others	0.00	0.00	0.00	0.00
A&G-OS&E-PTE-IT Related	783.43	0.00	0.00	0.00
A&G-OS&E-PTE-Consulting	707.34	0.00	0.00	0.00
A&G-OS&E-PTE-Supplies	0.00	0.00	0.00	0.00
A&G-OS&E-PTE-Misc	0.00	0.00	0.00	0.00
Other Operating Exp-Direct Pass-Thru	1,490.77	0.00	0%	0.00
Property Taxes	1,375.00	1,375.00	100.00	16,500.00
Depreciation Expense	2,916.74	1,552.83	187.83	18,634.00
Amortization Expense	0.00	0.00	-	0.00
Other Operating Expenses-Misc	4,291.74	2,927.83	147%	35,134.00
Total Other Operating Expenses	5,782.51	2,927.83	198%	35,134.00
Total Operating Expenses	4,047,175.04	5,738,587.43	71%	46,364,263.09
Total Operating Income (Loss)	246,043.52	(30,226.08)	-814%	(7,152.15)
Non-Operating (Income) Expenses				
Interest/Finance Chg Income	(7,054.55)	0.00	0%	0.00
Vt. Transco Income	0.00	0.00	0%	(4,215,178.83)
Non-Operating Income-Member Purch.	0.00	0.00	0%	0.00
Non-Operating Inc-Gain on Disp of Plant	0.00	0.00	0%	0.00
Non-Operating Inc-Program Rebates	0.00	(550.00)	0%	(1,350.00)
Misc. Non-Operating Income	0.00	0.00	0%	0.00
Non-Operating Expenses-Member Purchas	0.00	0.00	0%	0.00
Misc. Non-Operating Expenses	0.00	0.00	0%	0.00
Misc. Non-Operating Exp-Transco Amort F	0.00	0.00	0%	2,460.00
Net Other Non-Operating (Inc) Exp	(7,054.55)	(550.00)	1283%	(4,214,068.83)
Financing Costs				
Other Interest Expense	0.00	4,583.25	0%	18,333.00
Other Interest Expense-Transco	0.00	0.00	0%	0.00
Interest on LTD-Transco	(7,047.47)	4,273.41	-165%	450,690.94
Interest on LTD-19 Building Upgrades	(210.82)	204.67	-103%	2,456.00
Amort. of Debt Issue Exp-Transco	0.00	0.00	0%	0.00
Transco Net Settlement Exp.	0.00	0.00	0%	1,261,456.72
Interest on LTD	0.00	0.00	0%	0.00
Amortiz of Debt Iss. Exp-LtrCr	0.00	0.00	0%	0.00
Net Financing Costs	(7,258.29)	9,061.33	-80%	1,732,936.66
Total Non-Operating (Inc) Exp	(14,312.84)	8,511.33	-168%	(2,481,132.17)
Total Net Earnings (Loss)	\$ 260,356.36 (\$ 38,737.41)	-672%	\$ 2,473,980.02	

Memorandum

To: VPPSA Board of Directors
From: Ken Nolan, General Manager
Date: March 10, 2023
Subject: **Agenda Item #6** – Power Supply Policy Attachment 1 Revisions

As was discussed at the February Board meeting the increased market volatility in the power markets coupled with VPPSA's existing power supply policies have led to purchases this past winter that put pressure on member power budgets. Staff has been reviewing possible changes to the purchasing policies to allow better reaction to market prices that appear dramatically out of synch with expectations. That is, policies that would allow staff to purchase less forward power when the risk premium built into monthly forward prices appears excessive.

As a result, staff is proposing a revision to Attachment 1 to Power Supply Policy P3 to loosen the requirement for each member's coverage ratio to be at least 95% of the load forecast going into each month. The revision would allow staff to compare forward prices for the month to the 10-years historical average of actual LMP's and reduce the required coverage ratio by 10% for each standard deviation that forward prices are above the historical average.

The change would not require staff to implement a lower coverage, but would allow lower coverage when staff was convinced that the market was overpriced for the likely risk.

In addition, I have included in the packet a copy of Internal Operating Procedure P3 (IOP-P3) that details delegation of authorities to enter power supply transactions. This internal procedure does not require Board approval as the authority to delegate is already provided to the general Manager in Power Supply Policy P3; however, I wanted to notify the Board that with Shawn's promotion to manager of Power Resources I am delegating authority to enter short term transactions to him. I will remain involved in the decisions as a sounding board, but Shawn will now be authorized to execute contracts.

Proposed Motion

Move to approve the amended Power Supply Policy P3 Attachment 1 as proposed.

P3 -Power Supply Authorities Policy ATTACHMENT 1

1. Energy Supply Volume: At the beginning of each calendar month, the Authority shall have in place purchase fixed-price energy supplies that result in Coverage Ratios of between 95% and 105% of forecasted load for each member system for the month. ~~-, taking into consideration -~~ The effects of load trends, hydrological conditions, generation outages and intermittent resources shall be considered.

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4. Energy Price: If forward market prices are higher than the 10-year historical average for the month, then the minimum coverage ratio may be decreased by 10% for every one standard deviation above the 10-year average. For example, if forward market prices are at least one standard deviation higher than the 10-year average, then the coverage ratio may be as low as 85% (95% - 10%), and if prices are at least two standard deviations higher than the 10-year average, then the coverage ratio may be as low as 75% (95% - 10% - 10%). ~~The required Coverage Ratio may be reduced from 95% to 75% in any month where forward market prices are 50% or more above the 10-year historical average price for an equivalent product.~~

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2.

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2.3. Deviation from the above ratios shall only occur with authorization in writing by a member Director, or someone designated in writing by him/her, or an Alternate Director. The designation of authority must specify the exact time period such designation applies. The authorization of alternate Coverage Ratios must be reaffirmed in writing at least annually.



Vermont Public Power Supply Authority

Internal Operating Procedure

Procedure Name:	Power Supply Authority Delegation	Department:	Power Supply
Procedure Number:	IOP-P3	Created:	March 15, 2023

OBJECTIVE: To identify and document the delegation of authorities for making various power supply decisions under Policy P3 (Power Supply Authorities Policy).

PROCEDURE:

Under Policy P3 (Power Supply Authorities Policy) the General Manager is authorized to manage various power supply activities, identify roles and responsibilities, and develop detailed procedures to effectuate power supply activities, including the delegation of authorities as appropriate to effectuate the policy. The following authorities are hereby delegated in accordance with Policy P3:

A. Power Supply Transactions:

1. Balancing Purchase/Sale Program

- a. The Manager of Power Resources is authorized to manage the Authority's efforts in accordance with Policy P3 Attachment 1 and shall have authority to enter Balancing Purchases/Sales necessary to implement this policy on behalf of members.

2. Short Term Power Purchases/Sales

- a. The Manager of Power Resources is authorized to manage the VPPSA Single Settlement in a manner designed to meet budget expectations and shall have authority to enter Short Term Purchases/Sales as necessary to do so.

3. Intermediate Term Power Purchases/Sales

- a. Upon identifying an intermediate-term opportunity the General Manager shall seek approval to enter the arrangement from affected members which shall be documented by Planned Purchase Authorizations between the Authority and those affected members.

2. Long-Term Power Purchases

- a. Upon identifying a long-term opportunity, the General Manager shall seek approval to enter the arrangement from those affected members which shall be consummated by Power Sales Agreements between the Authority and those affected members.

B. Generating Projects:

1. The General Manager shall be responsible for managing development of Generating Projects in accordance with Policy P3.

RESPONSIBILITY:

It shall be the responsibility of the Manager of Power Resources responsibility to manage the Balancing Purchase/Sale program and the Short-Term purchases/sales in accordance with Policy P3.

It shall be the responsibility of the General Manager to oversee compliance with Policy P3. The General Manager shall directly manage completion of Intermediate Term and Long-Term purchases/sales and Generation Project development.

5. ATTACHMENTS:

None



March 2023 Power Supply Update

Power Supply Update

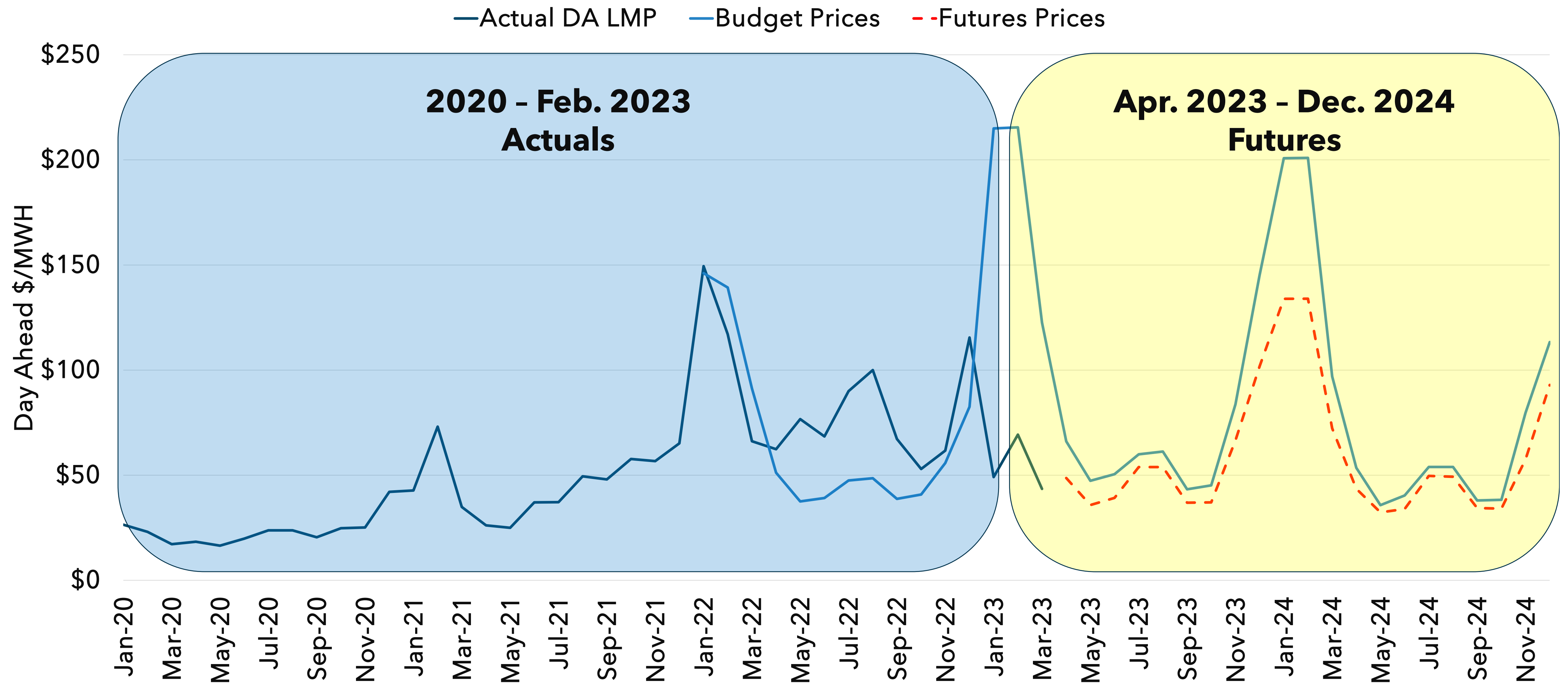
- 1. Natural Gas & Electricity Price Updates**
- 2. January 2023 Budget to Actuals**
- 3. Mystic Station Costs**
- 4. Renewable Energy Credit Updates**

1. Natural Gas Futures Prices



- Europe
 - Gas prices are down 85% from last summer.
 - Storage is at 61% of capacity...very full.
- North America
 - Gas prices are down 75% from last summer.
 - Storage is on track to end the season with the 3rd highest level in the past 25 years.
- New England
 - Pipeline utilization is running around 80% this week.
 - Spot prices are about \$4/MMBtu.

1. Actual and Future Electricity Prices (7x24)



2. January 2023 Variances

Member System	Total Load - Including Losses	Hydro Generation	Coverage Ratio
Barton	↓ -4%	↑ 54%	● 118%
Enosburg	↓ -7%	↑ 21%	● 108%
Hardwick	↓ -3%	↑ 27%	● 98%
Jacksonville	↓ -2%	→ -2%	● 94%
Johnson	↓ -8%	→ -3%	● 101%
Ludlow	↓ -3%	→ -3%	● 97%
Lyndonville	↓ -8%	↓ -5%	● 97%
Morrisville	↓ -9%	↓ -11%	● 108%
Northfield	↑ 3%	→ -3%	● 99%
Orleans	↓ -2%	→ 1%	● 104%
Swanton	→ -1%	↑ 48%	● 141%

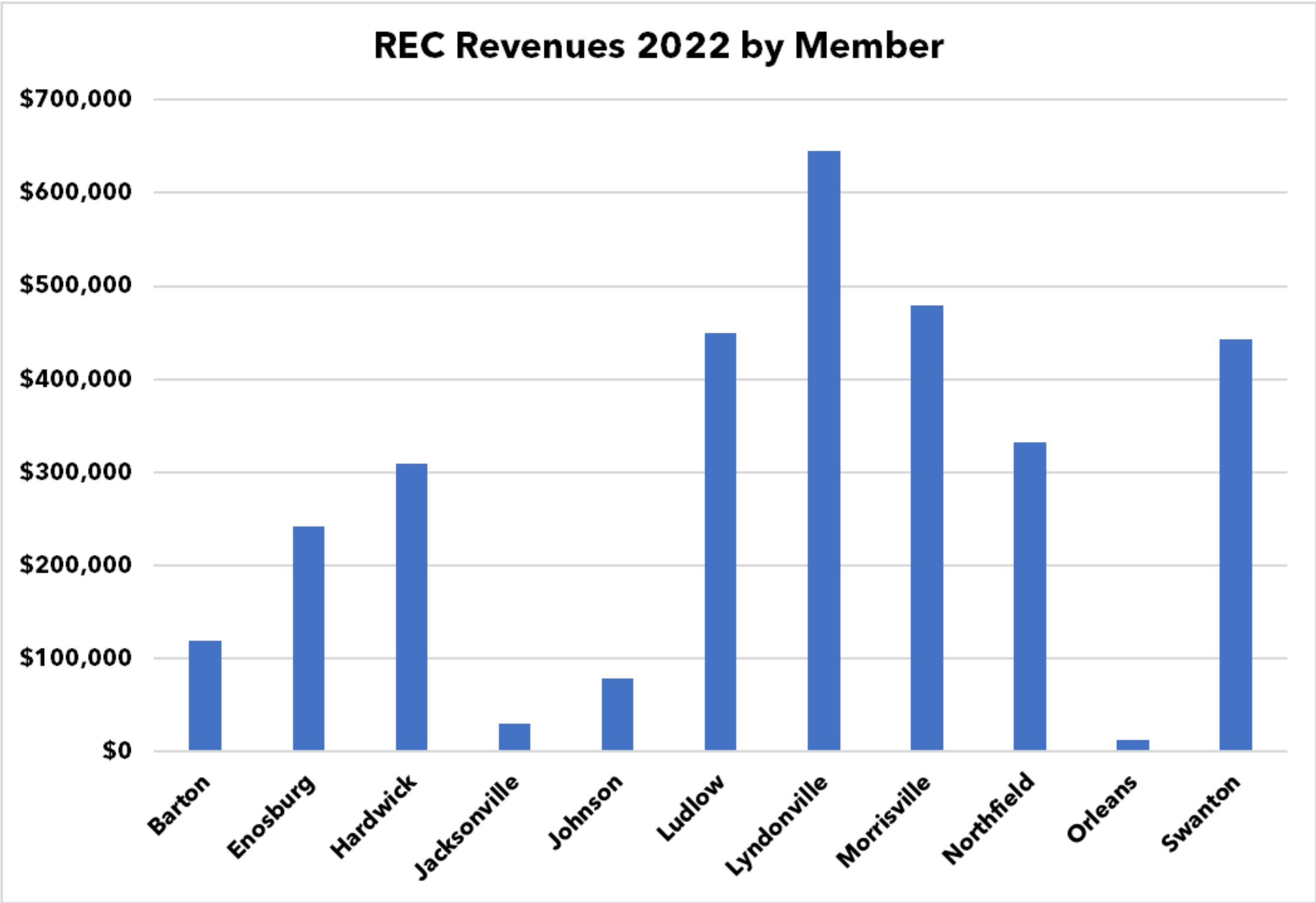
Dollar Variance	% Dollar Variance	% Rate Variance
-\$134,864	-91%	✓ -91%
\$1,692	1%	✗ 8%
\$11,743	3%	✗ 6%
\$395	1%	✗ 3%
\$2,600	2%	✗ 11%
\$66,848	9%	✗ 14%
\$5,016	1%	✗ 9%
\$21,850	4%	✗ 14%
\$32,894	10%	✗ 7%
\$26,712	23%	✗ 25%
-\$49,673	-23%	✓ -23%

- **Loads were lower than budget due to warmer than normal weather (25%).**
- **Hydro was higher than normal except for Lyndonville and Morrisville.**
- **Energy coverage was within the normal range for most members.**
- **Most members experienced higher costs due to the warm weather and low energy prices.**

3. Mystic Station Costs

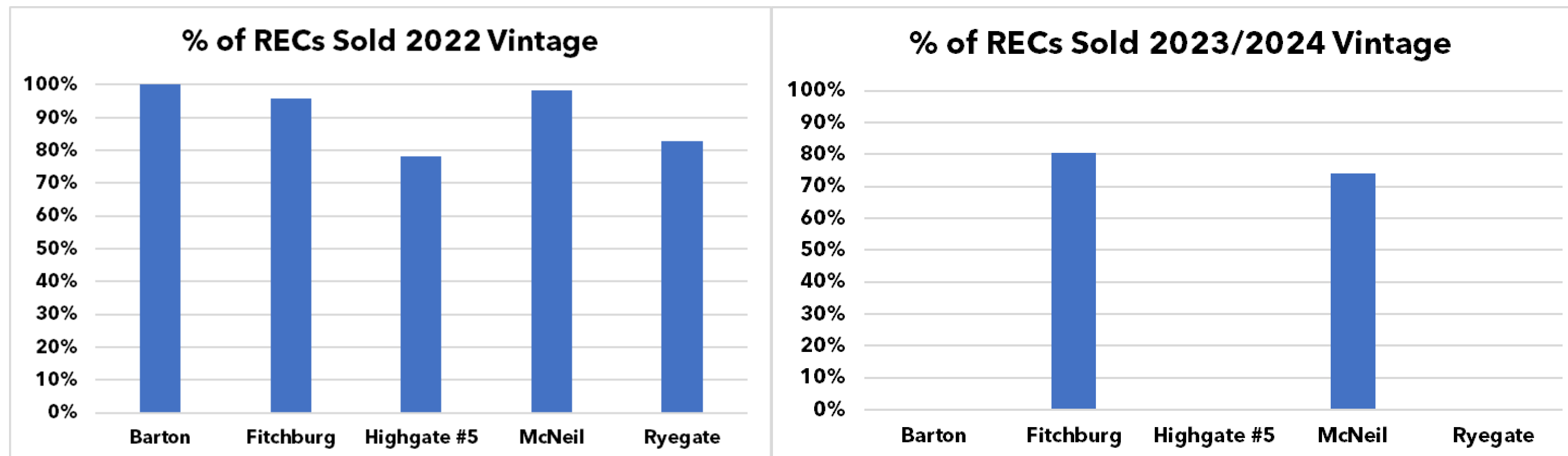
Row Label	7	8	9	10	11	12	1	Grand Total
Barton	\$1,149	\$4,856	\$325	\$1,191	\$1,029	\$4,441	\$2,086	\$15,076
Enosburg	\$2,373	\$8,549	\$532	\$2,077	\$2,046	\$8,976	\$3,659	\$28,213
Hardwick	\$2,939	\$10,484	\$720	\$3,127	\$3,052	\$15,687	\$8,390	\$44,399
Jacksonville	\$579	\$1,912	\$120	\$541	\$570	\$2,929	\$1,637	\$8,288
Johnson	\$1,233	\$3,952	\$256	\$1,187	\$1,247	\$6,312	\$3,129	\$17,316
Ludlow	\$5,093	\$15,436	\$1,004	\$4,333	\$4,317	\$26,828	\$18,016	\$75,026
Lyndonville	\$6,115	\$19,095	\$1,266	\$5,539	\$5,555	\$30,263	\$16,925	\$84,759
Morrisville	\$4,243	\$14,111	\$931	\$4,016	\$3,872	\$19,305	\$9,150	\$55,626
Northfield	\$2,718	\$6,272	\$592	\$3,061	\$6,266	\$13,396	\$6,419	\$38,724
Orleans	\$1,440	\$3,653	\$273	\$1,190	\$1,315	\$6,259	\$3,222	\$17,352
Swanton	\$50	\$10,806	\$1,008	\$1,785	\$301	-\$140	-\$14	\$13,797
Grand Total	\$27,933	\$99,125	\$7,029	\$28,047	\$29,571	\$134,256	\$72,619	\$398,578

4. Renewable Energy Credits – Revenue Update



- **CY 2022 Total Revenues**
 - \$3.1 million
- **CY 2023 Budget Revenues**
 - \$3.2 million
- **CY 2022 Cash Flow**
 - Resulting from a mix of 2021 and 2022 RECs.

4. Renewable Energy Credits - Forward Sales Update



- **2022 REC Sales**

- Vintage year MWH.
- Mostly sold forward at this point.
- Final sales by June 15th, 2023.

- **2023/24 REC Sales**

- Vintage year MWH.
- High confidence volumes sold forward.
- Lower confidence volumes not sold yet.

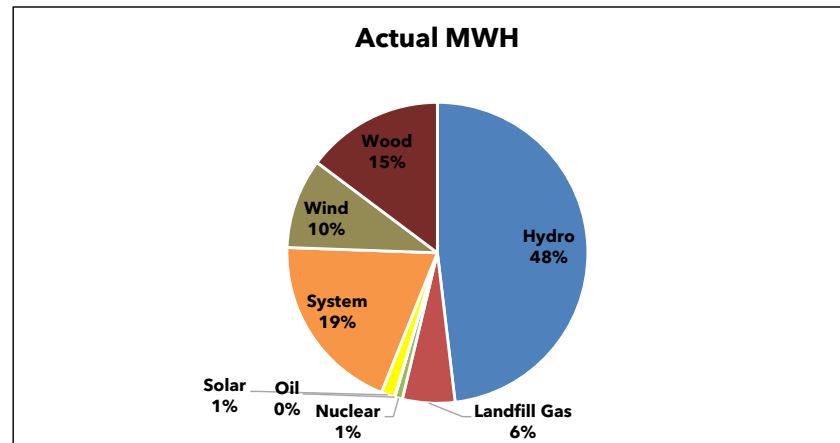
**Budgeted Members
Variance Analysis**

Jan-23

Load, Coverage %, ISO Exchange & LMP	BUDGET	ACTUAL	Variance %
Total Load - Including Losses (MWH)	38,719	36,920	-5%
Total Resource Energy (kWh)	35,855	39,303	10%
Coverage Ratio (%)	93%	106%	15%
ISO Exchange (+ Purchase/- Sale) (MWH)	2,864	-2,383	-183%
Average LMP Price (\$/kWh)	\$0.2108	\$0.0513	-76%
Value of ISO Exchange (\$)	\$603,660	-\$122,194	-120%
Check = 0	0%	0%	

Fuel	Bud MWH	Act MWH	Var %
Hydro	16,521	18,912	14%
Landfill Gas	3,061	2,212	-28%
Nuclear	323	323	0%
Oil	222	12	-94%
Solar	730	578	-21%
System	5,676	7,660	35%
Wind	3,470	3,807	10%
Wood	5,852	5,798	-1%
Total	35,855	39,303	10%
Check = 0	0	0	0

* Before the sale of renewable energy credits.



**Budgeted Members
Variance Analysis**

Jan-23

REC Revenues	BUDGET	ACTUAL	Variance %
Barton Hydro	-\$3,786	-\$103,235	2626%
Fitchburg Landfill	-\$108,892	-\$25,105	-77%
Highgate Hydro #5	-\$4,452	-\$924	-79%
McNeil Facility	-\$166,326	-\$112,338	-32%
Ryegate Facility	-\$30,847	\$0	-100%
Standard Offer Program	\$0	\$0	
Total	-\$314,303	-\$241,602	-23%

**Budgeted Members
Variance Analysis**

Jan-23

	BUDGET (\$)	ACTUAL (\$)	ACT - BUD	BUD VAR %	BUDGET	ACTUAL	ACT - BUD
RESOURCE COSTS	Total (\$)	Total (\$)	Total (\$)	Total (%)	MWH	MWH	Variance (%)
Barton Hydro	-\$3,786	-\$103,235	-\$99,449	2626%	328	688	110%
Billings Road Solar	\$6,217	\$4,598	-\$1,619	-26%	69	51	-26%
Bone Hill Solar	\$5,578	\$4,610	-\$968	-17%	58	48	-17%
Brookfield 2023-2027	-\$946,885	-\$39,598	\$907,288	-96%	5,544	5,544	0%
Cadys Falls Hydro	\$0	\$0			132	7	-94%
Chester Solar	-\$40,486	\$3,721	\$44,207	-109%	289	149	-49%
Enosburg Falls Hydro	\$0	\$0			264	426	61%
Fitchburg Landfill	-\$507,006	\$37,874	\$544,880	-107%	3,061	2,212	-28%
Highgate Hydro #1-4	\$0	\$0			3,143	5,025	60%
Highgate Hydro #5	-\$4,452	-\$924	\$3,528	-79%	185	35	-81%
HQUS Contract	-\$128,741	\$13,842	\$142,583	-111%	974	974	0%
Internal Purchase	\$0	\$0					
Internal Sale	\$0	\$0					
Kruger Hydro	-\$436,542	-\$7,583	\$428,959	-98%	2,771	2,652	-4%
Lawrence Brook Solar	\$2,585	\$3,961	\$1,376	53%	29	44	53%
McNeil Facility	-\$623,248	\$332,326	\$955,575	-153%	4,877	4,806	-1%
Morrisville Hydro #2	\$0	\$0			355	578	63%
NYPA Niagara Contract	-\$313,241	\$46,521	\$359,761	-115%	2,128	2,113	-1%
NYPA St. Lawrence Contract	-\$9,170	-\$3,017	\$6,153	-67%	48	68	42%
Phase I/II Transmission Facilities	-\$7,279	-\$8,211	-\$931	13%			
2019 Planned Purchase Product 1	-\$130,486	-\$7,096	\$123,390	-95%	744	744	0%
2019 Planned Purchase Product 2	-\$118,464	-\$3,972	\$114,492	-97%	672	672	0%
2019 Planned Purchase Product 2.1	-\$114,355	-\$2,927	\$111,428	-97%	612	612	0%
2019 Planned Purchase Product 3	\$0	\$0					
2019 Planned Purchase Product 4	-\$465,636	\$61,998	\$527,634	-113%	2,976	2,976	0%
2019 Planned Purchase Product 5	-\$104,378	\$10,274	\$114,652	-110%	672	672	0%
Project #10	\$48,929	-\$1,836	-\$50,766	-104%	28	12	-57%
Ryegate Facility	-\$130,110	\$55,602	\$185,712	-143%	975	992	2%
Sanders Hydro	\$0	\$0			73	111	53%
Seabrook PPA	-\$40,521	\$7,230	\$47,751	-118%	323	323	0%
Short Term Coverage	\$0	\$301,698	\$301,698			1,984	
Standard Offer Program	\$41,881	\$46,865	\$4,984	12%	285	287	0%
Stetson Wind 2023-2027	-\$426,982	\$195,493	\$622,475	-146%	3,470	3,807	10%
Stony Brook Station	-\$62,879	-\$3,215	\$59,664	-95%	194		
Vail & Great Falls Hydro	\$0	\$0			305	257	-16%
Wolcott Hydro	\$0	\$0			272	435	60%
SUBTOTAL RESOURCES	-\$4,509,456	\$945,000	\$5,454,456	-121%	35,855	39,303	10%

**Budgeted Members
Variance Analysis**

Jan-23

	BUDGET (\$)	ACTUAL (\$)	ACT - BUD	BUD VAR %	BUDGET 4,923	ACTUAL 7,554	ACT - BUD 2,631
TRANSMISSION COSTS	Total (\$)	Total (\$)	Total (\$)	Total (%)	PEAK MW (T-1)	PEAK MW (T-1)	Variance (%)
Open Access Transmission Tariff	\$696,899	\$657,315	-\$39,584	-6%	56.0	53.4	-5%
1991 VTA - Common Facilities	\$184,890	\$248,487	\$63,597	34%	56.0	53.4	-5%
1991 VTA - Specific Facilities	\$0	\$0					
1991 SPA - Shared Facilities	\$0	\$0					
1991 SPA - Shared & Exclusive	\$5,045	\$7,147	\$2,102	42%			
VEC Transmission	\$18,792	\$15,983	-\$2,809	-15%			
GMP Transmission	\$63,504	\$63,913	\$409	1%			
Highgate Converter - O&M	\$0	\$0					
Irasburg Transmission	\$1,500	\$1,500					
VELCO & St Lawrence Transmission	\$1,349	\$4,173	\$2,825	209%			
Total (\$)	\$971,979	\$998,518	\$26,540	3%			
LOAD COSTS	Total (\$)	Total (\$)	Total (\$)	Total (%)	MWH or MW	MWH or MW	Variance (%)
Energy Market	\$7,020,251	\$1,484,736	-\$5,535,516	-79%	33,311	28,961	-13%
Capacity Market	\$290,490	\$367,696	\$77,207	27%	54.5	54.2	-1%
Reserve Market	\$16,768	\$11,490	-\$5,278	-31%			
NCPC	\$11,092	\$5,251	-\$5,841	-53%			
Regulation Services	\$9,196	\$6,778	-\$2,418	-26%			
Marginal Loss Revenues	-\$6,505	-\$1,780	\$4,725	-73%			
Auction Revenue Rights	\$0	-\$15,315	-\$15,315				
Other Load Settlement	\$0	-\$3,592	-\$3,592				
Total (\$)	\$7,341,291	\$1,855,265	-\$5,486,027	-75%			
MISCELLANEOUS COSTS	Total (\$)	Total (\$)	Total (\$)	Total (%)			
VPPSA Fees - Power Supply	\$31,039	\$28,576	-\$2,463	-8%			
VPPSA Fees - Core Services	\$0	\$0	\$0				
VPPSA Fees - Additional Services	\$0	\$0	\$0				
ISONE Self Funding Tariff	\$58,893	\$46,678	-\$12,215	-21%			
VELCO Tariff Allocation	\$0	\$926	\$926				
VELCO Market Settlement	\$0	\$2,381	\$2,381				
VELCO Service Fees	\$4,258	\$806	-\$3,451	-81%			
Incidental Adjustments	\$0	\$0	\$0				
REC Sales	\$0	\$0	\$0				
GIS Costs	\$0	\$253	\$253				
Contingency	\$9,583	\$0	-\$9,583	-100%			
Total (\$)	\$103,773	\$79,621	-\$24,153	-23%			
GRAND TOTAL COSTS	\$3,907,587	\$3,878,403	-\$29,184	-1%			

Memorandum

To: VPPSA Board of Directors
From: Ken Nolan, General Manager
Date: March 10, 2023
Subject: **Agenda Item #8** - AMI Status

The AMI project continues forward slowly:

Aclara - Contract is essentially done. Finalization of the Statement of Work is underway.

Financing - Working capital is in escrow awaiting project start.

Member Contract - issuance to members has been delayed due to other pressing issues but will be moved forward shortly.

PUC Filing - Awaiting updating based on final documents.

DPS Grant - The draft grant agreement has been received and is under review.

Memorandum

To: VPPSA Board of Directors
From: Alex Nicholson, GIS Administrator
Date: March 10, 2023
Subject: **Agenda Item #9** - GIS Program Update

1) Implementation of web mapping services for VPPSA members

Initial efforts to enable web mapping applications for each member are wrapping up with most members now using the ESRI web application to access their GIS data. The focus for these projects has shifted to maintaining their health through identification and resolutions of bugs and issues found through review and testing. Additionally, resources are being allocated to implement and manage field data collection operations through the implemented GIS mapping products.

2) GIS assistance for ongoing GIS operations.

Efforts continue to assist and train members staff in order to properly equip them to utilize their newly deployed GIS tools. This includes support with identification and support of purchasing field collection equipment such as iPads. Training has been implemented for Orleans, Swanton, Lyndonville, Barton. With additional training continuing for the members shown above as well as support for members not listed.

3) Data Base Reconciliation

With members now collecting and updating their data, sometimes daily. Efforts have been allocated to test and create methods to update the archived databases from online content. Currently this process is in development with multiple python models are in testing to find the most efficient way to update VPPSA's in house databases.

4) Other projects in progress

Implementation of updated pole locations for Enosburg and Swanton is currently waiting on completion of data sharing protocols and NDA agreements.

GIS program long term plan continues to be in review and will be shared in the coming months.

GIS data sharing protocols and general NDA agreements are currently under review and will hopefully be implemented soon.

Re-structuring of the GIS working group to pivot towards assisting ongoing operational needs instead of a conduit for feedback and development of the GIS program.

Memorandum

To: VPPSA Board of Directors
From: Julia Leopold
Date: March 10, 2023
Subject: **Agenda Item #10a-** Legislative Update

After a week off for Town Meeting Day, legislators are diving back in and attempting to move bills out in time for crossover on March 17th. Bills that have an appropriation or impact state revenue have an extra week with crossover occurring March 24th.

VPPSA is monitoring several bills, including the following:

S.5 Affordable Heat Standard- Authorizes the PUC to create a clean heat program. Was passed by the Senate in a 18-10 vote, now moving to the House.

H.289 Renewable Energy Standard- This is the version of the RES introduced by the chair and vice chair of House Environment and Energy. It amends the existing RES to 100% renewable by 2030 through procurement of additional Tier 1 RECs. It is not expected to make crossover.

H.320 Renewable Energy Standard- This is the Renewable Energy Vermont (REV) proposal of the RES, introduced by Rep. Elder. It also amends the existing RES to 100% renewable by 2030 but is a much more aggressive version. It would cap existing renewables at 40%, increase new, in-state distributed generation to 30%, and create a new requirement for new, regional distributed generation of 30%. This bill is not expected to make crossover.

S.112 Misc Changes to the PUC- Introduced by Senator Bray, proposes multiple changes to the PUC. VPPSA has been invited to testify in Senate Finance on this topic.

Transportation Bill- Senate Transportation continues to explore options to replace the gas tax. The Agency of Transportation has proposed a mileage-based user fee for EVs, which would be paid at the time of vehicle inspection. There is also a proposal of annual or biannual registration fees for plug-in hybrids. Senate Transportation is skeptical of these options and wants utilities to implement a kWh fee. Utilities, including VPPSA, as well as the DPS testified against this concept.

H.437 Energy Storage- Directs utilities to submit reports to the Department of Public Service identifying where energy storage systems could deliver greatest reliability, affordability, and resilience. Introduced by Rep. Stebbins.

Act 151 Extension- Proposed 5-year extension to Act 151, which allows energy efficiency utilities to use a portion of their budget on GHG reduction activities. VPPSA worked with Efficiency Vermont and the other DUs on geographic equity language. Some DUs are advocating for it to be reduced to a 3-year extension.

Memorandum

To: VPPSA Board of Directors
From: Julia Leopold
Date: March 10, 2023
Subject: **Agenda Item #10b** - Communications

Campaigns Happening Now:

Community is at the Heart

VPPSA has launched our "Community is at the Heart" shared tagline for public power entities in Vermont. We are running underwriting on Vermont Public, VT Digger, and geotargeted ads on Facebook. Our target audiences include legislators, regulators, and utility customers.

We are also launching a utility-led portion of the campaign. We suggest launching the tagline in the following ways:

- Website
- Utility bill
- Bill inserts
- Newsletters
- Email signatures
- Phone answering
- Social media posts
- Quotes to press

Tailored Efforts

Tailored Efforts outreach has kicked off. Efficiency Vermont has digital and print advertisements running all year. A bill insert is being developed for March/April that includes a \$200 coupon for efficient appliances.

VLITE Funds

In partnership with Efficiency Vermont, we continue to distribute information via flyers to contractors, email newsletters to contractors, and information to customers eligible for PowerShift.

Rate Increases

VPPSA has emailed templates for an email to C&I customers and a press release to announce rate case filings. I'll be reaching out to you ahead of your planned filings to coordinate further outreach.

Planned Campaigns:

Winter Readiness

We are convening meetings by subtransmission and prepping key messages for advanced notification of energy deficiency issues.

Heat Pumps

VPPSA is collaborating with Efficiency Vermont on a heat pump campaign targeting high and mid funnel residential customers. Channels and goals TBD. Expected launch this spring.

Under Consideration:

AMI Education

As we begin rolling out AMI, customers will need to know what to expect and how it will (or will not) affect them. VPPSA will coordinate with you on communications prior to AMI rollout.

VPPSA and Members in the News:

AMI:

<https://www.wcax.com/2023/02/22/funding-supports-vt-electric-grid-updates/>

<https://www.publicpower.org/periodical/article/state-grant-fund-ami-installations-vermont-public-power-utilities>

<https://energynews.us/newsletter/massachusetts-efficiency-programs-should-focus-on-emissions-critics-say/>

Rate Increase:

https://www.samesessenger.com/voting-in-swanton-on-town-meeting-day-heres-a-quick-overview/article_13447162-af13-11ed-97e8-0f899d804be7.html

Rebates:

<https://www.the-sun.com/money/7367901/available-full-list-states-sending-cash/>

Local:

https://www.samesessenger.com/news/sheets-finds-his-dream-job-swanton-gets-a-new-village-manager/article_86c10482-a64b-11ed-9339-0f22d7f4e294.html

https://www.caledonianrecord.com/news/local/hardwick-receives-state-designation/article_64631a37-0cea-5907-becd-34ea04bcc454.html

Memorandum

To: VPPSA Board of Directors
From: Sarah Braese
Date: March 10, 2023
Subject: **Agenda Item #11** – Regulatory Update

Executive Summary

Vermont's regulatory environment continues to demand consistent monitoring to ensure adequate representation. With the State's Energy Efficiency Utility (EEU) Demand Resource Plan (DRP) proceedings well underway, VPPSA has been meeting weekly with Efficiency Vermont to negotiate a Memorandum of Understanding for the 2024-2026 and 2027-2029 performance periods.

Further, various pilot programs and grant funding opportunities continue to be pursued, negotiated, and implemented including:

Program/Grant Implementation

- VLITE Grant (Low-Income Targeted funding)
- PowerShift Pilot Program (Residential EV Chargers)

Grant Negotiations

- Advanced Metering Infrastructure (AMI) Grant Agreement
- Affordable Community Renewable Energy (ACRE) Grant Agreement
- FY2022 Earmark – Business Energy Repayment Assistance Program (BERAP)

Grant Applications & Funding Opportunities

- Hydroelectric Incentives Program Guidance (Verbal & Written Responses)
- Grid Resilience and Innovation Partnerships
 - VPPSA Topic Area 1: Application Due 4/6/2023
 - Vermont Department of Public Service (PSD) Topic Area 3 Application Due 5/19/2023
- USDA Renewable Energy Systems and Energy Efficiency Loans and Grants
- DOE Energy Improvements in Rural or Remote Areas (ERA)
 - [ERA Grant Funding Opportunity Announcement \(FOA\) Released March 1, 2023.](#)
 - Concept Papers Due: April 14, 2023.

Beyond funding opportunities, VPPSA continues to navigate the staggered Renewable Energy Compliance regulatory reporting requirements.

Renewable Energy Standard: Tier III

2022 Compliance Year

In accordance with Commission Rule 4.412, VPPSA has been preparing its initial Tier III Savings Claims report for 2022, which will be submitted **by March 15, 2023**.

Preliminary reports show VPPSA has processed over 700 custom and prescriptive rebate claims, representing nearly 29,500 MWh savings. For reference, VPPSA's 2022 Tier III Compliance Obligation was 14,033 MWh.

Comprehensive reporting on VPPSA's 2022 Tier III Rebate Program will be included in the April Board Packet.

2023 Compliance Year

Annual Plan

VPPSA submitted its [2023 Tier III Annual Plan](#) on November 1, 2022. On December 1st the [Department filed its comments](#), with no changes noted for VPPSA. December 19, 2022 Commission issued a [Procedural Order](#) requesting responses to specific Plans. [VPPSA's response](#) was submitted on Friday, January 20, 2023 with no expected amendments to its previously filed 2023 Annual Plan.

On March 9, 2023 the Commission issued a [procedural order requesting additional information and amendments to some Tier III Annual Plans](#). There were no additional requests for VPPSA's 2023 Annual Plan.

Online Rebate Processing Platform (P3)

VPPSA continues to streamline and implement use of the new online rebate processing platform. To-date the platform has already proven to improve efficiencies and reduce lag time between rebate application submission and approval.

VT Department of Public Service (PSD)

Clean Energy Policy Review

- January 13, 2023: PSD Released its [Public Engagement Webinar Schedule](#). The Final session will be held:
 - **Webinar 3: Parking Lot Session to Cover Additional Questions**
 - **Monday March 15, 12:00 pm-1:30 pm**

As always, if you have any questions or concerns, please let me know.

Respectfully,

Sarah Elise Braese, CAE
Assistant General Manager
Regulatory and Power Services
(802) 595-3146

Relevant Federal Funding Opportunities

Grid Deployment Office, Dept. of Energy - Hydropower Incentive Programs Development

Monitoring for FOA

July 7, 2022 - The DOE issued an [RFI for public input on creating hydropower incentive programs](#) authorized under the Energy Policy Act of 2005. There are two distinct programs identified, one for capital improvements to increase efficiency by at least 3% and one for capital improvements in the areas of grid resiliency, dam safety, or environmental improvements. On August 30, 2022, VPPSA conducted a verbal response with the US Department of Energy and submitted a joint written response with Utah Associated Municipal Power Systems (UAMPS) on September 6, 2022.

On February 8, 2023, the DOE released [draft application guidance](#). VPPSA participated in a verbal response and submitted written comments on February 28, 2023 per the deadline.

Funding Opportunity Announcement (FOA): Dept. of Energy [Grid Resilience and Innovation Partnership Program \(GRIP\)](#)

Topic Area 1: BIL Section 40101(c) Grid Resilience Grants

Application Due 4/6/2023

VPPSA submitted its Concept Paper on December 15, 2022 and is monitoring announcements/invitations to submit a full application.

On February 2, 2023, VPPSA received determination and an encouragement to submit a full application based upon its Concept Paper. Full applications are due April 6, 2023.

Topic Area 2: Section 40107 Smart Grid Grants

Topic Area 3: Section 40103(b) Grid Innovation Program

Application Due 5/19/2023

The Vermont Department of Public Service submitted two Concept Papers on January 13, 2023; one related to the regional NECPC and a second in collaboration with the state's Distribution Utilities related to diverse battery installation deployments related to resiliency.

On March 9, 2023, distribution utilities were notified that the PSD received an "encouragement to apply" based on its concept paper. More details will be forthcoming.

Funding Opportunity Announcement (FOA): Dept. of Energy [Energy Improvements in Rural or Remote Areas \(ERA\)](#)

Concept Papers Due April 14, 2023

On December 5, 2022 VPPSA submitted comments in response to the DOE Request for Information on the ERA program. The FOA was released March 1, 2023 and

Concept Papers are due April 14, 2023 and Applications are due June 28, 2023. The ERA Program offers up-to \$300 million in this funding opportunity.

VPPSA is currently evaluating resource capacity to participate and encourages members to provide their perspective on pursuing ERA funding. Per the DOE materials:

DOE's Energy Improvements in Rural or Remote Areas (ERA) Program will provide financial investment, technical assistance, and other resources to advance clean energy demonstrations and energy solutions that are replicable and scalable. ERA aims to fund clean energy projects with three specific goals:

Deliver measurable benefits to energy customers in rural or remote areas by funding replicable energy projects that lower energy costs, improve energy access and resilience, and/or reduce environmental harm; Demonstrate new rural or remote energy system models using climate-resilient technologies, business structures that promote economic resilience, new financing mechanisms, and/or new community engagement best practices; and Build clean energy knowledge, capacity, and self-reliance in rural America.

FY22 Sanders Congressional Directed Spending

Business Energy Repayment Assistance Program (BERAP)

In Negotiation

June 30, 2022 - VPPSA submitted its comprehensive application package to the Dept. of Energy for \$1 million (with \$250,000 R&D match) to create the Business Energy Repayment Assistance Program (BERAP), a pilot program offering low- to no-interest loans to commercial or industrial customers for energy transformation projects (e.g., electrification), utilizing on-bill financing where feasible. The DOE Golden Field Office assigned a project team on September 1, 2022 and VPPSA has been in award negotiations since.

As of March 9, 2023 VPPSA staff continues negotiations to secure and get funding released.

DOE Energy Improvements in Rural or Remote Areas (ERA)

[ERA Grant Funding Opportunity Announcement \(FOA\) Released March 1, 2023.](#)

Concept Papers Due: April 14, 2023.

[Relevant Department of Public Service Updates](#)

IIJA Formula Funding aka Grid Hardening State/Tribal Formula Grant Program **Open**

Vermont expects to receive \$16 million from section 40101(d) for Preventing Outages and Enhancing the Resilience of the Electric Grid/Hazard Hardening. Vermont's formula grants award \$3.2 million per year over five years (2022 - 2026).

The Department of Public Service requested consensus among distribution utilities around priorities and selection criteria, however there is broad diversity and VPPSA continues to advocate that individual utilities should be encouraged to seek funding for their own priorities as well.

The Department's application has been submitted.

Engagement Plan:

Review of clean and renewable electricity programs and policies

On-Going

Clean Energy Policy Review

- January 13, 2023: PSD Releases [Public Engagement Webinar Schedule](#):
 - Webinar 1: Where Does Vermont's Electricity Come From?
 - Tuesday January 31, 12:00 pm-1:30 pm
 - Thursday February 2, 6:00 pm-7:30 pm
 - Webinar 2: Current Renewable Electricity Policies
 - Tuesday February 14, 12:00 pm-1:30 pm
 - Wednesday February 15, 6:00 pm-7:30 pm
 - Webinar 3: Parking Lot Session to Cover Additional Questions
 - Monday March 15, 12:00 pm-1:30 pm
- January 15, 2023: Department of Public Service published its [2023 Annual Energy Report](#). This report is prepared and presented to the Vermont General Assembly and provides an update on progress towards reaching the state's energy goals as outlined in the [Comprehensive Energy Plan](#) (released January 14, 2022).

Grants:

Affordable Community Renewable Energy Program (ACRE)

In Negotiation

Department issued a Request for Proposals on July 19, 2022, with initial proposals due August 30th. VPPSA prepared and submitted an initial proposal to design an ownership share, reduced cost power-purchase agreement program for eligible and subscribed low-income customers across member utility service territories.

VPPSA received and is in the process of negotiating the grant agreement with the PSD.

Vermont Public Utility Commission

Investigative Proceedings

Case No. 17-4999-INV Investigation into PUC Rule 3.300, Disconnection of Residential Electric, Gas and Water Service; PUC Rule 3.200, Ratepayer Deposits for Gas, Electric, and Water Service; and PUC Rule 3.400, Disconnection of Cable Television Service and Non-Residential Electric, Gas and Water Service

On August 9, 2022, the Commission issued a procedural order requesting additional comments on the Department's draft rule and feedback on any insights from the

COVID-19 pandemic. The Department was ordered to file comments by August 31, 2022 and other responses due September 21, 2022.

On September 21, 2022, [VPPSA and BED filed joint comments](#) stressing that many concerns remain unaddressed or unresolved. We have urged the Commission to engage in further workshops. Several other utilities expressed similar concerns. At this point no additional response or procedural order has been issued.

As of March 9, 2023 there are no updates to report within the docket.

Case No. 20-0203-INV Low-Income Rate Investigation

On June 10, 2022, [VPPSA filed extensive comments](#) urging the Commission to establish a standardized and validated method of calculating eligible residential customers at or below the 185% Federal Poverty Level (FPL). VPPSA also filed a Motion to Alter or Amend, which was [denied by the Commission as premature on June 28, 2022](#). On October 4, 2022, the PUC issued a [procedural order requesting comments on a proposed model](#) to quantify bill and revenue impacts from establishing a low-income rate. On October 28, 2022 VPPSA filed its [response and calculations/impacts](#) of the Commission's proposed Model.

On February 3, 2023 the [Commission issued a Procedural Order Requesting Information](#), specifically about utility's plan for the ACRE grant targeted to low-income customers. [VPPSA filed its response on March 3, 2023](#).

Case No. 22-4869-INV PUC 2022 Investigation into EV Rates

On Nov. 15, 2022 the Commission opened its annual investigation and [issues Order to Provide \[Annual Update\] of Inventories and Comments](#). On Dec. 12, 2022, [VPPSA filed response](#) on members EV-EVSE Rates and progress.

On December 22, 2022, Public Comment was filed by [eVLOCITY Systems, Inc.](#) and [Electrify America, LLC](#). No additional updates to report at this time, however VPPSA continues to navigate challenges and opportunities related to the PowerShift Program to incentivize residential EV chargers.

Rulemaking Proceedings

Case No. 19-0855-RULE Proposed revisions to Vermont Public Utility Commission Rule 5.100 (Net-Metering CPG's)

As of October 6th, no additional comments or orders have been filed by the Commission regarding proposed changes to Rule 5.100 governing the construction and operation of net-metering systems. The proposed changes attempt to streamline the process of applying for and receiving a certificate of public good in the net-metering program.

On December 2, 2022, the [Commission filed its draft changes and ordered comments by January 13, 2023](#). Several public and stakeholder comments have been filed, both in favor and against the proposed changes.

Case No. 19-0856-RULE Proposed revisions to Vermont Public Utility Commission Rule 5.500

On January 26, 2023 the Commission held a workshop to discuss potential changes to Rule 5.500 governing interconnection of electric generators to the grid¹. Specifically, there is a proposal to standardize and digitize Rule 5.500 interconnection forms. VPPSA staff was contacted by VELCO on February 13, 2023 requesting feedback of the proposed revisions, specifically related to inverter setting verifications, provided either electronically or by attestation. Comments were due February 16, 2023. VPPSA did not provide formal comment but is following the docket closely.

On February 16, 2023, the [Department of Public Service's response](#) recommended:

*...comments from each of the distribution utilities on their ability to develop such digitized capabilities, the expected costs of development, mechanisms to offset those cost, the potential benefits of implementation, net costs or benefits, rate impacts, and any other potential issues meriting consideration.*²

In addition, the Department suggests a statewide approach may be the most appropriate mechanism, while stressing the importance of preserving confidentiality. The Department suggests investigation of a statewide approach should include feasibility of an interconnection application portal, a statewide DER registry/database, and a statewide interconnection queue.³

As of March 10, 2023, no orders or requests have been filed by the Commission.

Case No. 21-3883-RULE Proposed Rule Concerning Energy Storage

As of December 1, 2022 there are no updates to report. The following is for contextual purposes only:

On June 3, 2021, Act 54 was signed into law [which] grants the Commission authority to "adopt and implement rules that govern the installation and operation of energy storage facilities of all sizes." In September 2021, the Commission issued a proceeding to develop rules governing the installation and operation of energy storage facilities in Vermont. Multiple stakeholders,

¹ See [Workshop Presentation Re: Application Submittal Procedures](#) filed January 30, 2023 in [Case No. 19-0856-RULE](#).

² See Page 2 of [Department of Public Service Workshop Comments](#) filed February 16, 2023 in [Case No. 19-0856-RULE](#).

³ See Pages 3 - 4 of [Department of Public Service Workshop Comments](#) filed February 16, 2023 in [Case No. 19-0856-RULE](#).

including VPPSA submitted their responses. Stakeholders are awaiting a PUC response to the comments and workshops held in December 2021 and January 2022.

While no updates have been filed from the Commission since February 16, 2022, with the enormous focus on battery storage as a matter of resiliency, I expect this case will resurface in the near future.

Case No. 22-4420-RULE Proposed Revisions to PUC Rule 4.500 on Safety of Hydroelectric Dams

Oct. 12, 2022 the PUC opens rulemaking proceeding to revise Rule 4.500 which governs safety of hydroelectric dams under PUC jurisdiction in Vermont and on November 8th files [proposed rule](#) with ICAR (see [Proposed Rule Redline](#)). A public hearing was held Jan. 17, 2023 and written comments were due January 24, 2023. VPPSA did not file written comments but continues to monitor the case. GMP, Vermont ANR, and PSD have filed responses, primarily in objection to the inspection schedules.

On February 24, 2023, the [Vermont Independent Power Producers Association \(VIPPA\) filed comments](#) requesting that, before the Commission adopts a final Rule, that “pursuant to 3 V.S.A. § 840, to modify the Rule to reflect the limits of the Commission’s jurisdiction as outlined in VIPPA’s comments or, if it fails to do this, explain the reason for its decision not to so modify the Rule.”⁴

EEU Regulatory Proceedings

Case No. 22-1647-PET Petition of the Vermont Department of Public Service to review the Orders of Appointments for the Energy Efficiency Utilities and the Process and Administration Document

On December 27, 2022, the [Process and Administration of an Energy Efficiency Utility Order of Appointment](#) document was filed.

On Wednesday, February 1, 2023, the [Department of Public Service filed its Status Update on Phase II](#). Per the scheduling order, Phase II topics to be considered include:

1. Thermal-energy-and-process-fuels carryover;
2. Goal adjustments;
3. Firewalls/ intellectual property (per VEIC Order in Case No. 21-1500-PET);
4. Changes to Overall Performance Assessment process;
5. VEIC’s financial assurance obligation for participation in the Forward Capacity Market; and
6. Other to-be-determined topics.

Item number 5, VEICS’s financial assurance obligations in the Forward Capacity Market have been addressed and determined no further action is necessary. Per the

⁴ See Page 2 of [VIPPA’s Comments](#) filed February 24, 2023 in [Case No. 22-4420-RULE](#).

Status Update, the remaining Phase II topics remain a work-in-progress and have requested the next status update to be September 21, 2023⁵.

Case No. 22-2417-INV Determination of 2023 Energy Efficiency Charge Rates

EVT presented a “Preferred Alternative Methodology” to calculate its 2023 EEC Rates and waive the Rule 5.305 EEC rate calculation methodologies, as well as to defer 50% of the 2023 revenue adjustment to future rate cases “to ensure rates remain relatively stable over the next two rate years.” On November 8, 2022 the Commission approved EVT’s EEC rates for 2023. EEC language was circulated and should now be in effect for 2023.

In early February, VPPSA was made aware and notified EVT/VEIC that the rate for Industrial Demand Customer Sales and Net Metered W/ Gross Consumption was entered incorrectly on both the 2023 Remittance Worksheet and on the 2023 Remittance Worksheet Instructions.

On Monday, February 6, 2023 a revised 2023 Remittance Worksheet and Instructions document was distributed. If you did not receive the revised documents, please let us know.

Case No. 22-2954-PET Petition of the Department of Public Service to open a proceeding to initiate EEU Demand Resource Plan proceeding for the 2024-2026 and 2027-2029 performance periods

On December 20, 2022 EEUs filed testimony and exhibits to support proceedings. On January 10, 2023, the [PSD filed its first set of discovery questions for each of the EEUs](#). This update will focus primarily on those related to EVT. On January 24, 2023, EVT provided responses to those discovery questions, and on Thursday, January 26, 2023, [VPPSA also filed its first set of discovery questions related to EVT’s testimony and proposed scope of work](#) for the 2024-2026 and 2027-2029 performance periods, specifically related to planned FLM investments and equity vs. cost-effectiveness priority spending.

On Thursday, February 23, 2023, [VPPSA submitted its Prefiled Testimony](#) related to performance on the current 2021-2023 performance period and concerns related to the proposed scope of work under this docket’s future performance periods.

As noted in the Executive Summary above, VPPSA continues to engage in weekly meetings with EVT to revise and establish a Memorandum of Understanding for at least the 2024-2026 performance period. Related to MOU discussions, VPPSA is working closely with EVT to (1) establish a clear set of principles to guide EEU and utility roles and responsibilities related to Flexible Load Management (FLM) and (2) determine the appropriate level of reporting details to ensure demonstrable return of EEC/TEPF funds to VPPSA’s members’ customers per established MOU benchmarks.

⁵ See Page 2 of the [Department of Public Service Status Update](#) dated February 1, 2022 in [Case No. 22-1647-PET](#).

This work is ongoing and both parties hope to reach agreement in early April, where feasible.

Case No. 22-4719-INV 2022 updates to Energy Efficiency Utility Triennial Plans for 2021-2023

On December 16, 2022 [transcripts from the EEU Triennial Plan updates were filed](#), indicating a notable shift in the scope and depth of EEU's engagements with customers, particularly related to Flexible Load Management (FLM). On the same day, the [Department of Public Service filed comments](#) to initiate a more in-depth discovery process related to proposed FLM budget spending and DRP proceeding for the next two performance periods, ultimately resulting in a number of Discovery requests in the related Case #22-2952-PET (see above).

On Thursday, February 9, 2023 the [Commission filed a Procedural Order](#) on 2023 Updates to 2021-2023 EEU Triennial Plans. Specifically, this Procedural Order highlights discussion around the Department's request(s) to

...better understand EVT's plan to spend its Flexible Load Management ("FLM") budget given that these activities are new for EVT, the relatively rapid FLM spending proposed for 2023, and the potential for overlap between EVT and distribution-utility activities in this realm.⁶

EVT's response asserted proposed FLM spending remains an estimate for 2023 and stated its intent to engage with the Department related FLM services, specifically how those services intersect with distribution utilities and/or PSD ARPA funding opportunities.

The Commission's Order "...direct[s] Efficiency Vermont to engage with the Department and distribution utilities on the continued roll-out of FLM in the state" with the understanding that the PSD will notify the Commission of any conflicts or concerns that cannot be resolved directly.⁷ Otherwise, no further action is determined with respect to EVT, BED, and VGS triennial plan and annual updates.

Petitions to the Public Utility Commission

Case No. 22-3944-PET VEPP Inc. & Ryegate Power Purchase Agreement

On Oct. 26, 2022, PUC [Authorizes six-month extension](#) of existing PPA. On Nov. 14, 2022 the PUC issues [Order Establishing Schedule](#). The Deadline to file responses was December 22, 2022. VPPSA has continued to monitor but not engage directly in this proceeding.

On Friday, February 3, 2023, in addition to several other case parties, [VPPSA filed comments](#) on the Ryegate purchase power agreement amendments.

⁶ See Page 2 of the [Commission's Procedural Order](#) dated February 9, 2023 in [Case No. 22-4719-INV](#).

⁷ See Page 4 of the [Commission's Procedural Order](#) dated February 9, 2023 in [Case No. 22-4719-INV](#).

On Wednesday, March 1, 2023, the [Commission filed its Proposal for Decision](#) related to the Ryegate Associates purchase power agreement. According to the Proposal for Decision, the Commission recommends an extension of the PPA, under certain conditions, including increasing the plant's overall efficiency and other milestones prescribed under [Act 155](#). The Proposal also recommends "...the Commission authorize amending the Contract at to reflect a price of \$0.100 per kWh through October 31, 2026" and "...that the Contract should include the fuel adjustment mechanism approved in Docket No. 7782."⁸ Related to Renewable Energy Credits (RECs) from the plant, the Proposal further recommends authorization to amend "...the Contract to allow Ryegate Associates to receive a 10% share of the RECs and the distribution utilities to receive a 90% share through October 31, 2026."⁹ Also of note, the Proposal recommends "...that the Commission not make any additional amendments to the Contract to address the risks associated with the pay-for-performance rules."¹⁰

Per the accompanying [Cover Letter](#), **any Comments or Requests for Oral Argument should be filed by March 22, 2023.**

⁸ See Page 6 of the [Commission's Proposal for Decision](#) dated March 1, 2023 in [Case No. 22-3944-PET](#).

⁹ See Page 8 of the [Commission's Proposal for Decision](#) dated March 1, 2023 in [Case No. 22-3944-PET](#).

¹⁰ See Page 11 of the [Commission's Proposal for Decision](#) dated March 1, 2023 in [Case No. 22-3944-PET](#).

MEMORANDUM

TO: NEPOOL Participants Committee Members and Alternates

FROM: NEPOOL Counsel

DATE: March 3, 2023

RE: Overview of the FERC's Order on New England's 2/2/22 *Order 2222* Compliance Filing

On March 1, 2023, the FERC issued a lengthy order accepting in part and rejecting in part the region's *Order 2222* compliance filing (Compliance Proposal) jointly submitted by the ISO, NEPOOL and the Participating Transmission Owners.¹ The *Compliance Order* accepted the proposed separate effective dates of November 1, 2022 and November 1, 2026, subject to further compliance filings. Some of the outstanding compliance obligations require further explanation and justification, while still others require additional Tariff revisions.²

This memorandum provides a high-level summary of the FERC's *Compliance Order*, focusing on the additional compliance obligations and informational filing to be filed within 30, 60, or 180 days of the *Compliance Order*. After a brief background, Sections I-III below summarize by deadline the required submission(s).³ The last section summarizes at highest level the Commissioners' respective concurrences and dissent.

*A plan/schedule for stakeholder review and consideration of the additional *Order 2222* compliance items detailed herein will be communicated soon.

BACKGROUND

In September 2020, the FERC issued *Order 2222* directing RTOs/ISOs to adopt "reforms to remove barriers to the participation of distributed energy resource aggregation" in the wholesale markets. The FERC enumerated 11 directives in its order.⁴ Out of the 11 directives, the FERC

¹ *ISO New England Inc. and New England Power Pool Participants Comm.*, 182 FERC ¶ 61,137 (Mar. 1, 2023) ("Compliance Order").

² NEPOOL counsel will work with ISO-NE counsel to consider the potential for any requests for rehearing or clarification.

³ The *Compliance Order* also rejected the Compliance Proposal's proposed revisions to the Small Generator Interconnection Procedures related to interconnection on the grounds that they are no longer necessary due to Tariff revisions that were made after the Compliance Proposal filing that make all interconnections to the distribution system subject to state interconnection processes and not the ISO interconnection process. *Compliance Order* at PP 30-37.

⁴ The 11 compliance directives are as follows: (1) allow DERAs to participate directly in RTO/ISO markets and establish distributed energy resource aggregators as a type of market participant; (2) allow DER aggregators to register DERAs under one or more participation models that accommodate the physical and operational characteristics of the DERAs; (3) establish a minimum size requirement for DERAs that does not exceed 100 kW; (4) address locational requirements for DERAs; (5) address distribution factors and bidding parameters for DERAs; (6) address information and data requirements for DERAs; (7) address metering and telemetry requirements for DERAs; (8) develop rules on coordination between the RTO/ISO, the DER aggregator, the distribution utility, and the relevant electric retail regulatory authorities; (9) address modifications to the list of resources in a DERA; (10) address market

concluded that the Compliance Proposal fully complied with six, but only partially complied with the others.⁵

I. 30-DAY COMPLIANCE FILING AND INFORMATIONAL FILING (DUE MARCH 31, 2023)

There are two 30-day compliance filings due by **March 31, 2023**. The first is a further compliance filing that is to explain how current Tariff capacity market mitigation rules would apply to Distributed Energy Capacity Resources (DECR) participating in FCA18. The FERC found the 30-day compliance filing necessary to allow it to ensure that, as required in *Order 2222*, the Compliance Proposal allows DECR to participate directly in RTO/ISO markets (in this case, the ISO's capacity market).⁶

The second required 30-day compliance filing is to be an informational filing that provides an update on implementation timeline milestones associated with DECR participation in FCA18 and the other markets. This compliance filing is to ensure that the ISO implements the *Order 2222* requirements on time. The FERC suggested various factors for consideration in the information filing, such as developing new software, significant milestones, and associated FCA18 deadlines for DECR.⁷

II. 60-DAY COMPLIANCE FILINGS (DUE MAY 1, 2023)

Various revisions are due by **May 1, 2023**, covering five of *Order 2222*'s requirements, and summarized below in the same sequence as the *Compliance Order*.

Small Utility Opt-In Requirement

In *Order 2222*, the FERC directed RTOs/ISOs to develop market rules implementing an opt-in provision for distribution companies with 4 million MWhs or less in annual sales in the previous fiscal year (the Small Utility Opt-In Requirement). The *Compliance Order* found that two proposed Tariff revisions (Tariff sections III.6.1(f) and III.6.7(c)(ii)) appeared to conflict with implementation of the Small Utility Opt-In Requirement. Specifically, the FERC found that those Tariff sections permit a small utility to host a Distributed Energy Resource Aggregation (DERA) rather than to allow customers of a small utility to be bid into the markets by the Distributed Energy Resource (DER) Aggregator and allow the Host Utility rather than the relevant electric retail regulatory authority (RERRA) to make the opt-in determination. Thus, the ISO must revise Tariff sections

participation agreements for DER aggregators; and (11) implement an opt-in provision for distribution companies with 4 million MWhs or less in annual sales in the previous fiscal year.

⁵ *Compliance Order* at P 16, P 63 and P 242.

⁶ *Id.* at P 69 (noting that, in late 2022, the ISO initiated a proposal to align buyer-side mitigation rules with DECR participation in FCA18. Because the FERC had not issued an order on the Compliance Proposal by early December, the ISO suspended its implementation activities. See Memorandum from ISO New England Inc. to NEPOOL Technical Committees (Dec. 1, 2022), available at: https://www.iso-ne.com/static-assets/documents/2022/12/a05_mc_2022_12_06_08_iso_order_2222_memo.pdf. The FERC noted that the findings in the *Compliance Order* do not preclude the ISO from making a filing pursuant to section 205 of the FPA to modify the market power mitigation rules to be applied to DECR.)

⁷ *Compliance Order* at P 258.

III.6.1(f) and III.6.7(c)(ii) so that the RERRA makes the determination of whether to allow customers of small utilities to participate in the ISO's markets through aggregation.⁸

Binary Storage Facility (BSF) and Continuous Storage Facility (CSF) Participation Models

The FERC found that the new and modified existing participation models partially complied with the requirement to develop participation models that accommodate the physical and operational characteristics of the DERA. In response to protests and comments, however, the FERC focused on the requirement in the Compliance Proposal's BSF and CSF participation models that a Market Participant that provides energy withdrawal service (like a BSF or CSF) must be a load serving entity (LSE) that is billed for energy withdrawal (the LSE Requirement). The FERC found that the Compliance Proposal did not identify the current Tariff provisions establishing the LSE Requirement and thereby had not demonstrated that the LSE Requirement was an existing requirement that DERAs must meet to provide service into the ISO markets. Accordingly, the FERC directed the ISO in its 60-day compliance filing (i) to identify the existing rules that establish the LSE Requirement and (ii) explain whether the LSE Requirement is required of all resources seeking to provide wholesale energy withdrawal service in the energy market.⁹

Information and Data Requirements

Order 2222 required that RTOs/ISOs establish market rules to address information and data requirements for DERAs. One such requirement is that each DER Aggregator must maintain and submit aggregate settlement data for the DERA. The FERC found that the Compliance Proposal did not comply with *Order 2222* because the ISO proposed to require the Host Utility, rather than the DER aggregator, to submit a settlement date for the DERA. Thus, the FERC directed the ISO to change the Tariff to require that each DER Aggregator maintain and submit aggregate settlement data for the DERA, so that the ISO can regularly settle with the DER Aggregator for its market participation.¹⁰

Metering and Telemetry System Requirements

In *Order 2222*, The FERC directed RTOs/ISOs to establish market rules that address metering and telemetry hardware and software requirements necessary for DERAs to participate in the wholesale markets. In its *Compliance Order*, the FERC found various aspects of New England's Compliance Proposal to not be sufficiently compliant with *Order 2222*'s metering and telemetry system requirements.

First, the FERC found that the Compliance Proposal failed to show that the proposed metering and telemetry requirements were (a) just and reasonable and (b) did not pose an unnecessary and undue barrier to individual DERs joining a DERA. Specifically, the FERC found that the proposal to require measurement of behind-the-meter DERs at the Retail Delivery Point (RDP), unless the Assigned Meter Reader can accommodate submetering or parallel metering of the DER, was not demonstrated to be just and reasonable or to not pose an unnecessary and undue barrier to individual DERs joining a DER aggregation.¹¹ Accordingly, the FERC directed the ISO to explain in the 60-day compliance filing why this aspect of the Compliance Proposal is just and

⁸ *Id.* at P 29.

⁹ *Id.* at P 67.

¹⁰ *Id.* at P 105.

¹¹ *Id.* at P 162.

reasonable and does not pose an unnecessary and undue barrier (or to propose further Tariff revisions to address any unnecessary or undue barriers to behind-the-meter DERs joining a DERA).¹² The FERC also directed the ISO: (i) to propose Tariff revisions that designate the DER Aggregator as the entity responsible for providing any required metering information to the ISO; and (ii) if necessary, establish protocols for sharing meter data that minimize costs and other burdens and address concerns raised with respect to privacy and cybersecurity.¹³

Second, *Order 2222* required DER Aggregators to be responsible for providing telemetry information to the ISO. The FERC found that the Compliance Proposal would be non-compliant with respect to having the Host Utility—and not the DER Aggregator—generally responsible for providing metering information to the ISO. Thus, the ISO must, in its 60-day compliance filing, revise the Tariff to designate the DER Aggregator as the entity responsible for providing any required metering information to the ISO.¹⁴

Third, the FERC said it was unable to evaluate whether the Compliance Proposal sufficiently complied with its *Order 2222* requirement that protocols be established for sharing metering and telemetry data that minimize costs and other burdens and address privacy and cybersecurity concerns (M&T Data Sharing Protocols). Noting the close correlation between such protocols and requirements for the submission of metering data (as discussed in the prior paragraph), the FERC found it necessary to assess both concurrently. Accordingly, and to the extent that metering and telemetry data will come from or flow through a distribution utility, the ISO was directed to include M&T Data Sharing Protocols in its 60-day compliance filing.¹⁵

Coordination Between the RTO/ISO, Aggregator and Distribution Utility

The *Compliance Order* found that two aspects of the Compliance Proposal that address coordination requirements between the ISO, a DERA, the distribution utility, and the RERRAs were not compliant with *Order 2222*. First, the FERC found that the ISO had not shown how its Compliance Proposal to require a DERA to first rely on RERRA dispute resolution procedures (where such procedures exist) would appropriately address disputes related to the distribution utility review process that are within the ISO's authority and subject to the ISO Tariff. Accordingly, the FERC directed the ISO to address in the 60-day compliance filing how it will resolve disputes that are within its authority and subject to its Tariff, regardless of whether there is an available dispute resolution process established by the RERRA, including any necessary Tariff revisions.¹⁶

¹² *Id.* at P 162; *id.* at PP 164–65, 167; *see also* P 168 (directing the ISO, if it chooses, to provide further explanation on, among other things, how to avoid unnecessarily burdensome costs and discuss its submetering requirements for DERAs participating as Alternative Technology Regulating Resources); *id.* (offering the ISO to propose additional Tariff revisions, if necessary, to address any unnecessary or undue barriers caused by behind-the-meter DERs joining a DERA). *See also* P 166 (suggesting topics to consider when addressing the metering requirements for behind-the-meter DERs).

¹³ *Id.* at P 162.

¹⁴ *Id.* at P 169. The Commission also noted that if the ISO modified the metering and telemetry proposal to address any unnecessary or undue barriers faced by behind-the-meter DERs joining a DERA, it might consider alternative baseline methodology approaches for behind-the-meter DERs. *Id.* at 93.

¹⁵ *Id.* at P 171.

¹⁶ *Id.* at P 220.

Second, the FERC found that the Compliance Proposal lacked the requisite specificity regarding existing resource non-performance penalties that would apply to a DERA when a Host Utility overrides ISO dispatch instructions. *Order 2222* required the ISO to revise the Tariff to apply existing resource non-performance penalties to a DERA when the aggregation does not perform because a distribution utility overrides the ISO's dispatch. As a result, the ISO must submit a further compliance filing to revise the Tariff to add the required specificity.¹⁷

III. 180-DAY COMPLIANCE FILING (DUE AUGUST 28, 2023)

There is one compliance filing due by **August 28, 2023**. The FERC found that the Compliance Proposal was not fully compliant because it did not address how current Tariff capacity market mitigation rules would apply to DECRs participating in FCA19 and beyond. Thus, the FERC directed the ISO to file a further compliance filing explaining how existing Tariff rules would apply.¹⁸

IV. SEPARATE CONCURRENCES AND DISSENT

Commissioners Danly and Clements each provided separate concurrences with, and Commissioner Christie provided a separate dissent from, the *Compliance Order*.

Commissioner Danly, concurring with the *Compliance Order*, acknowledged that "ISO-NE and NEPOOL made a good faith effort to comply with Order No. 2222" but "failed to fully comply with its scores of dictates." He reiterated his reasons for dissenting from *Order 2222* and his concern that the FERC "should not be in the business of micro-managing RTO activities that primarily affect the distribution system which is itself primarily within the jurisdiction of the states."¹⁹ In her separate concurrence, Commissioner Clements urged the ISO on compliance to "modify its proposal to address undue barriers and make participation more workable" and "to pursue steps that genuinely open [the New England Markets] to DERs like behind-the-meter resources."²⁰

In his dissent, Commissioner Christie noted some of the reasons why, like Commissioner Danly, he would have voted against *Order 2222* had he been on the Commission at the time it was issued, as well as the "problems and complexities of complying with *Order 2222*". He dissented from the *Compliance Order* "because, among other reasons, the order does not accept as filed [the ISO's] entirely reasonable and commendable efforts to ensure that measurement and verification [] procedures are as accurate as possible so as to prevent foreseeable errors such as double counting." He could not support requiring "even more detail ... when the record makes clear to me that the proposal has met the requirements imposed by Order No. 2222."²¹

¹⁷ *Id.* at P 229.

¹⁸ *Id.* at P 69.

¹⁹ Comm'r Danly Concurrence at PP 1–d3.

²⁰ Comm'r Clements Concurrence at P 1.

²¹ Comm'r Christie Dissent at PP 1, 13.

Memorandum

To: Board of Directors
From: Ken Nolan, General Manager
Date: January 27, 2023
Subject: **Agenda Item #12**- Project 10 Update

Project 10 continues to operate well. Dave continues to find minor issues to be addressed after the overhaul but is working his way through the maintenance list.

Ken St. Amour and Dave filed the NERC self-certification audit by its due date of February 13th. No issues or violation concerns have been identified during documentation prep, but NPCC will undertake its review following submittal. As a reminder, this is an official NERC audit that can bring monetary penalties if the standards are not being met.

Power supply continues to bid the units into the winter reserve and energy markets to maximize value and minimize risk. VPPSA continues to cover BED's reserve obligation and receive additional revenues whenever forecasts indicate energy markets will be stable.

I met with Dave G. and Dave DeSimone at the beginning of March to discuss capital projects for 2023. They are as follows:

- 1) Upgrade to the control system. This was delayed a year in order to perform the overhaul in 2022 but PLC upgrades will commence in 2023.
- 2) Construction of a steel storage building. This will replace the small wooden structure presently onsite and will allow the consolidation of parts presently stored in the open and in disparate locations into one controlled space. It will also allow removal of parts presently being stored in the pumphouse equipment bay to facilitate easier workflow.
- 3) An options analysis of possible transformer reconfiguration will be undertaken. This was the last item raised by Aegis in their last insurance review, where the insurance company expressed concern with the plant being dependent on one aging transformer. Similar to the overhaul evaluation, Dave DeSimone will undertake an economic review of various options including Do Nothing, increased monitoring, and various replacement configurations.
- 4) Dave D. and Dave D. will update and expand the capital plan to a 10-year projection to facilitate the conversation the Board requested around the appropriate reserve fund level. This will take a deeper dive into longer term capital expectations and higher cost maintenance items.

Memorandum

To: VPPSA Board of Directors
From: Ken Nolan, General Manager
Date: March 10, 2023
Subject: **Agenda Item #13** - GM Update

Rate Cases and IRP's

Staff continues to make progress on rate case submittals and IRP submittals. Roughly half of the rate cases have now been filed.

RES Bills

VPPSA has partnered with BED, VEC, and WEC to hire Synapse to undertake an analysis of the cost impacts of the various RES Bills presently before the legislature. The work is ongoing.

IT Cyber Review

The cyber review of VPPSA and member systems under the Homeland Security grant from 2022 is underway. VPPSA is using Hometown Connections (HCI) to undertake the in-depth review, with HCI providing identified gaps, solutions, and budgets for correction.

The VPPSA review is nearing completion, and Enosburg has been started as the first member.

Staffing

The hiring of three staff positions is underway. Interviews for the new accounting position have been completed and an offer has been extended. Resume review of the Assistant Information and Security Services manager has begun and interviews are being scheduled. Lastly, the job description for the Director of Public Affairs is being reviewed and updated to align with the skills needed in the future. It will be posted shortly.

APPA Rally

I attended the APPA Legislative Rally the first week of March and met with Vermont's Congressional delegation. The main takeaway from the meetings was around Senator Welch's chairing the Senate sub-committee overseeing USDA and his desire for VPPSA to look seriously at the USDA RESP and REAP programs. Staff had reviewed these before but found that VPPSA was not an eligible recipient of funding. Senator Welch believes that has been "fixed" and asked us to reach out to his staff if we found that not to be the case. We are re-engaging with USDA on the topic.

GRIP Grant

Sarah continues to lead an effort among the staff and vendors to submit a GRIP grant application by April 6th. While a heavy lift the grant has the potential to rapidly accelerate VPPSA's battery storage program.

RCT ebus Tier 3 Incentive

Approximately 2 years ago VPPSA provided the RCT bus service in Lyndonville with a proposed \$10,000 incentive toward purchase of an ebus. RCT then used the VPPSA incentive to seek grant funding and recently was awarded. However, the final project will produce fewer Tier 3 credits than initially anticipated. Also, when the incentive was provided conversations with Lyndonville indicated that they would desire to fund the incentive and receive the Tier 3 credits. Two years later the Lyndonville management has changed, the value proposition is reduced, and Lyndonville's financial position has changed. It is no longer certain that Lyndonville will want to fund the project itself.

VPPSA RES policy is structured so that the host utility is given first option to fund the incentive, but if they choose not to and VPPSA believes the project is worth pursuing then VPPSA can provide the incentive out of RES project funding and allocate the Tier 3 credits among all members based on their contribution to the Tier 3 budget.

It is possible that staff will activate that provision of the policy for the first time in relation to the RCT incentive.